ConocoPhillips

ConocoPhillips Company
6825 South 5300 West
P.O. Box 851
Price, UT 84501

January 13, 2006

Ms. Diana Whitney
State of Utah
Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
SLC, Utah 84114-5801

RE: Application for Permit to Drill: Utah 26-1055, Utah 13-1167, Utah 35-1080, Utah 34-1217, Utah 7-1229, Utah 6-1228, Utah 7-1230, Ritzakis 8-1017

Dear Ms. Whitney:

Please find enclosed an *Application for Permit to Drill* (APD) for the following wells:

Utah 26-1055, Utah 13-1167, Utah 35-1080, Utah 34-1217, Utah 7-1229, Utah 6-1228, Utah 7-1230, Ritzakis 8-1017

Please accept this letter as ConocoPhillips' written request for confidential treatment of all information contained in and pertaining to this permit application, if said information is eligible for such consideration.

Thank you very much for your timely consideration of this application. Please feel free to contact me if you have any questions.

Sincerely,

Jean Semborski
Construction/Asset Integrity Supervisor

cc: Mr. Eric Jones, BLM, Moab, Utah
Mr. John Albert, Chevron
Mr. John Lennon, Dominion Resources
Mr. Don Stephens, BLM, Price, Utah
Ms. Debbie Marberry, ConocoPhillips
Mr. Kile Thompson, ConocoPhillips
Mr. Mark Jones, DOGM, Price, Utah
Mr. Ed Bonner, SITLA
ConocoPhillips Well File

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 3

AMENDED REPORT ☐
(highlight changes)

APPLICATION FOR PERMIT TO DRILL

5. MINERAL LEASE NO: ML-40115	6. SURFACE: State
7. IF INDIAN, ALLOTTEE OR TRIBE NAME: N/A	
8. UNIT or CA AGREEMENT NAME: Drunkards Wash UTU-67921X	
9. WELL NAME and NUMBER: Utah 26-1055	
10. FIELD AND POOL, OR WILDCAT: Drunkards Wash	
11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWSE 26 14S 9E	
12. COUNTY: Carbon	13. STATE: UTAH

1A. TYPE OF WORK: DRILL ☑ REENTER ☐ DEEPEN ☐

B. TYPE OF WELL: OIL ☐ GAS ☑ OTHER _____ SINGLE ZONE ☑ MULTIPLE ZONE ☐

2. NAME OF OPERATOR: ConocoPhillips Company

3. ADDRESS OF OPERATOR: P.O. Box 851 CITY Price STATE UT ZIP 84501 PHONE NUMBER: (435) 613-9777

4. LOCATION OF WELL (FOOTAGES)
AT SURFACE: 574' FSL, 1830' FEL 510426X 39.573064
AT PROPOSED PRODUCING ZONE: Same as Surface 4380171Y -110.878614

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: 6.3 miles southwest of Price, Utah

15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET): 847 feet	16. NUMBER OF ACRES IN LEASE: 749.5 acres	17. NUMBER OF ACRES ASSIGNED TO THIS WELL: 160 acres
18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET): 900 feet	19. PROPOSED DEPTH: 2,288	20. BOND DESCRIPTION: Rotary
21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.): 5824.7' GR	22. APPROXIMATE DATE WORK WILL START: 2/1/2006	23. ESTIMATED DURATION:

24. **PROPOSED CASING AND CEMENTING PROGRAM**

SIZE OF HOLE	CASING SIZE, GRADE, AND WEIGHT PER FOOT	SETTING DEPTH	CEMENT TYPE, QUANTITY, YIELD, AND SLURRY WEIGHT
15"	12 3/4" H 40 40.5#/ft	40	
11"	8 5/8" J-55 24#/ft	400	170 sks G+2% CaCl 1.18 cu.ft./sk 15.6 ppg
7 7/8"	5 1/2" N-80 17#/ft	2,278	90sks Std Cement + 10% CalSeal 1.61 cu.ft./sk 14.2 ppg
			170sks 50/50 POZ +8 % Bent+10% CalSeal 1/4 #/sk 12.5ppg

25. **ATTACHMENTS**

CONFIDENTIAL

VERIFY THE FOLLOWING ARE ATTACHED IN ACCORDANCE WITH THE UTAH OIL AND GAS CONSERVATION GENERAL RULES:

- ☑ WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER
- ☑ EVIDENCE OF DIVISION OF WATER RIGHTS APPROVAL FOR USE OF WATER
- ☐ COMPLETE DRILLING PLAN
- ☐ FORM 5, IF OPERATOR IS PERSON OR COMPANY OTHER THAN THE LEASE OWNER

NAME (PLEASE PRINT) Jean Semborski TITLE Construction/Asset Integrity Supervisor

SIGNATURE Jean Semborski DATE 1/11/2006

(This space for State use only)

API NUMBER ASSIGNED: 43-007-31110

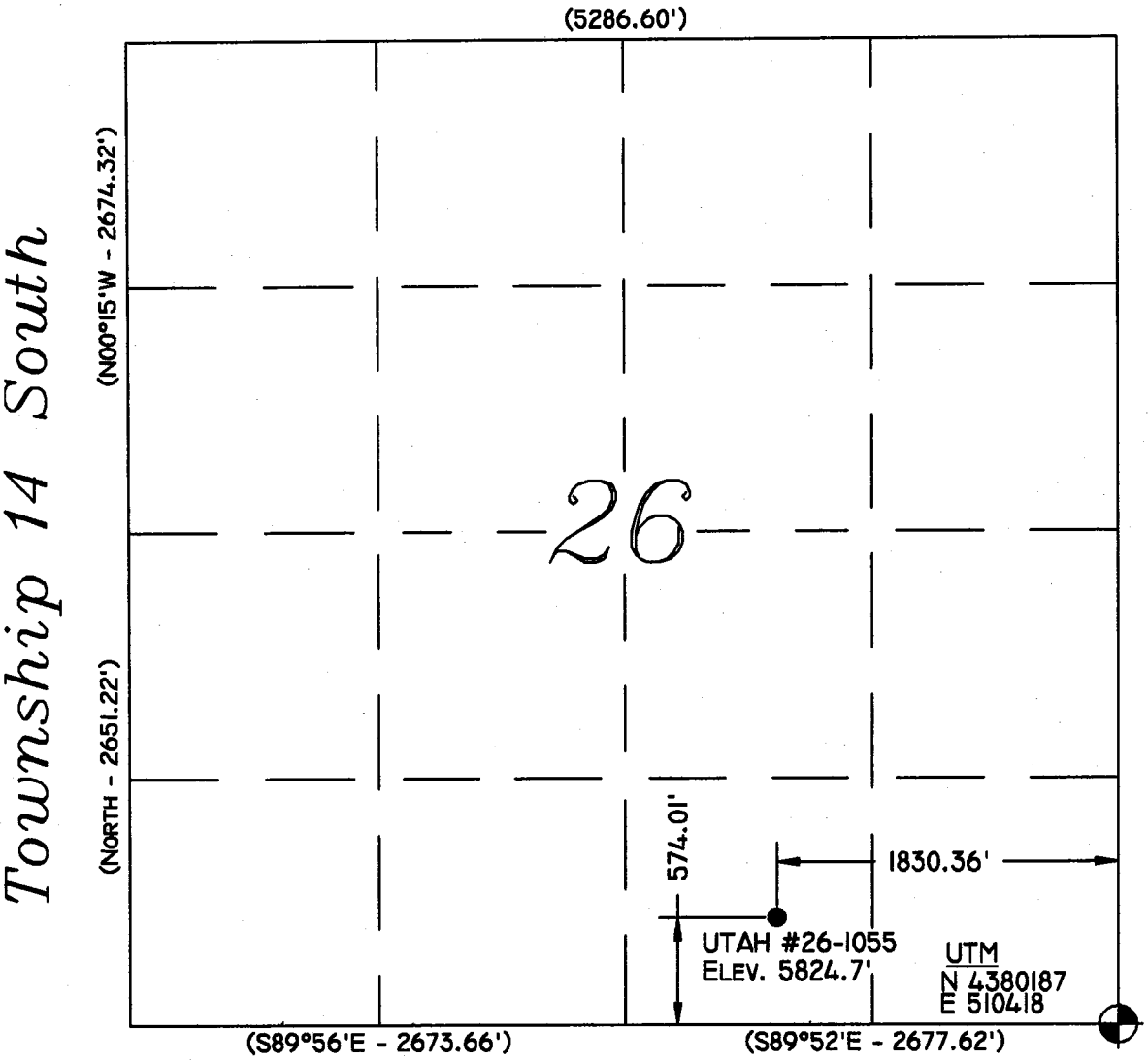
Approved by the
Utah Division of
Oil, Gas and Mining
APPROVAL:
Date: 03-02-06
By: [signature]

RECEIVED
JAN 12 2006
DIV. OF OIL, GAS & MINING

(11/2001) See Instructions on Reverse Side

Range 9 East

Township 14 South



Legend

- Drill Hole Location
- Metal Cap (Found)
- Brass Cap (Searched for, but not found)
- Calculated Corner
- ( ) GLO

GPS Measured

NOTES:

1. UTM and Latitude / Longitude Coordinates are derived using a GPS Pathfinder and are shown in NAD 27 Datum.

LAT / LONG
39°34'23.546"N
110°52'43.344"W

Location:
The well location was determined using a Trimble 5700 GPS survey grade unit.

Basis of Bearing:
The Basis of Bearing is GPS Measured.

GLO Bearing:
The Bearings indicated are per the recorded plat obtained from the U.S. Land Office.

Basis of Elevation:
Basis of Elevation of 5822' being at the Northwest Section Corner of Section 12, Township 14 South, Range 9 East, Salt Lake Base and Meridian, as shown on the Price Quadrangle 7.5 minute series map.

Description of Location:
Proposed Drill Hole located in the SW/4 SE/4 of Section 26, T14S, R9E, S.L.B.&M., being 574.01' North and 1830.36' West from the Southeast Section Corner of Section 26, T14S, R9E, Salt Lake Base & Meridian.

Surveyor's Certificate:

I, Albert J. Spensko, a Registered Professional Land Surveyor, holding Certificate 146652 State of Utah, do hereby certify that the information on this drawing is a true and accurate survey based on data of record and was conducted under my personal direction and supervision as shown hereon.

REGISTERED LAND SURVEYOR
1-3-06
No. 146652
Albert J. Spensko
STATE OF UTAH

GRAPHIC SCALE
0 500' 1000'
(IN FEET)
1 inch = 1000 ft.

TALON RESOURCES, INC.
195 North 100 West P.O. Box 1230
Huntington, Utah 84528
Phone (435)687-5310 Fax (435)687-5311
E-Mail talon @ etv.net

ConocoPhillips Company

WELL UTAH #26-1055
Section 26, T14S, R9E, S.L.B.&M.
Carbon County, Utah

Drawn By: N. BUTKOVICH	Checked By: L.W.J./A.J.S.
Drawing No. A-1	Date: 12/29/05
	Scale: 1" = 1000'
Sheet 1 of 1	Job No. 2119

EXHIBIT "D"
DRILLING PROGRAM

Attached to Form 3
ConocoPhillips Company
Utah 26-1055
SW/4, SE/4, Sec.26, T14S, R9E, SLB & M
574' FSL, 1830' FEL
Carbon County, Utah

1. The Surface Geologic Formation

   Mancos Shale

2. Estimated Tops of Important Geologic Markers

   Blue Gate/Ferron 1939'

3. Projected Gas & H2O zones (Ferron Formation)

   Coals and sandstones 1938' - 2045'

   No groundwater is expected to be encountered.

   Casing & cementing will be done to protect potentially productive hydrocarbons, lost circulation zones, abnormal pressure zones, and prospectively valuable mineral deposits.

   All indications of usable water will be reported.

   Surface casing will be tested to 500 psi and Production casing tested to 1500 psi with a minimum of 1 psi/ft of the last casing string depth

4. The Proposed Casing and Cementing Programs

Hole Size	Casing Size	Wt/Ft	Grade	Joint	Depth set
14 ¾"	12 ¾"	40.5	H-40	ST&C	0-50'
11"	8 5/8"	24.0	J-55	ST&C	0-400'
7 7/8"	5 ½"	17.0	N-80	LT&C	0-2278

Cementing Program

The 8 5/8" surface casing will be set with approximately 170 sacks Class G or Type V cement with 2% $CaCl_2$ mixed at 15.6 ppg (yield =1.18 ft^3/sx). The cement will be circulated back to surface with 100% excess.

The 5 ½" production casing will be set and cemented using a two stage cementing process . This entails setting casing to total TD and running a DV tool to approximately 300' of the top of the Ferron.

The 1st Stage of cement will then be pumped to approximately 50' from the DV tool. After cement is pumped, the cement cap will be removed and a wiper plug installed. The cement cap will then be screwed back on and a wiper plug will be displaced to TD. The cement cap will be removed and the DV tool bomb will be dropped followed by the 2nd Stage wiper plug. (This is done to open the DV tool and establish circulation.) Once circulation is established, circulation will continue at approximately 1 bpm for 4 hours while waiting on cement (WOC). WOC at a minimum of 4 hours before beginning 2nd stage cement job. After the 2nd Stage has been pumped, a top wiper plug will be dropped and displaced with water (or water spacer and mud). Shut in well and WOC.

The 5 ½" production casing will be set with approximately 90 sacks of Standard Cement, 10% Cal Seal 60 (accelerator), 1% Calcium Chloride (accelerator), ¼ lbm/sk Flocele (lost circulation additive) with a yield of 1.61 ft^3/sx at 14.2 ppg; calculated with an excess of 35% for the 1st Stage. For the 2nd stage, approximately 170 sx of 50/50 POZ Premium cement, 8% Bentonite (light weight additive), 10% Cal Seal 60 (accelerator), ¼ lbm/sk Flocele (lost circulation additive) with a yield of 1.98 ft^3/sx at 12.5 ppg; calculated with an excess of 30% for the 2nd Stage.

The above cement volumes are approximate and are calculated under the assumption that a gauge hole will be achieved. If the cement does not return to surface, a cement bond log will be run to determine the top of cement. In the case where the cement is below the surface casing shoe, the casing will be perforated and squeeze cemented to the surface. If the cement is above the surface casing shoe, cement will be one-inched to the surface.

The following shall be entered in the driller's log:

1) Blowout preventer pressure tests, including test pressures and results;

2) Blowout preventer tests for proper functioning;

3) Blowout prevention drills conducted;

4) Casing run, including size, grade, weight, and depth set;

5) How the pipe was cemented, including amount of cement, type, whether cement circulated, location of the cementing tools, etc.;

6) Waiting on cement time for each casing string;

7) Casing pressure tests after cementing, including test pressures and results.

5. The Operator's Minimum Specifications for Pressure Control

Exhibit "G" is a schematic diagram of the blowout preventer equipment. A double gate 3000 psi BOPE will be used with a rotating head. This equipment will be tested to 2000 psi. All tests will be recorded in a Driller's Report Book. Physical operation of BOP's will be checked on each trip.

6. The Type and Characteristics of the Proposed Circulating Muds

0-400	11" hole	Drill with air, will mud-up if necessary.
400-TD	7 7/8" hole	Drill with air, will mud-up if necessary. 400 psi @ 1400-1600 cfm

7. The Testing, Logging and Coring Programs are as followed

400-TD Gamma Ray, Neutron Porosity, CBL

Any Anticipated Abnormal Pressures or Temperatures

No abnormal pressures or temperatures have been noted or reported in wells drilled in the area nor at the depths anticipated in this well. Bottom hole pressure expected is about 974 psi max., however due to offset production pressures may be much lower. No hydrogen sulfide or other hazardous gases or fluids have been found, reported or are known to exist at these depths in the area.

8. Anticipated Starting Date and Duration of the Operations.

The well will be drilled around February 1, 2006

Verbal and/or written notifications listed below shall be submitted in accordance with instructions from the Division of Oil, Gas & Mining:

(a) prior to beginning construction;

(b) prior to spudding;

(c) prior to running any casing or BOP tests;

(d) prior to plugging the well, for verbal plugging instructions.

Spills, blowouts, fires, leaks, accidents or other unusual occurrences shall be reported to the Division of Oil, Gas & Mining immediately.

SURFACE USE PLAN

Attached to Form 3
ConocoPhillips Company
Utah 26-1055
SW/4, SE/4, Sec.26, T14S, R9E, SLB & M
574' FSL, 1830' FEL
Carbon County, Utah

1. **Existing Roads**
   a. We do not plan to change, alter or improve upon any existing state or county roads.
   b. Existing roads will be maintained in the same or better condition. See Exhibit "B".

2. **Planned Access**
   Approximately 100' of new access is required (Refer to Drawing L-1)

   a. Maximum Width: 24' travel surface with 27' base

   b. Maximum grade: 7%

   c. Turnouts: None

   d. Drainage design: 0 culverts may be required. Water will be diverted around well pad as necessary.

   e. If the well is productive, the road will be surfaced and maintained as necessary to prevent soil erosion and accommodate year-round traffic.

   f. Pipe and power lines will follow the proposed access road.

3. **Location of Existing Wells**

   a. Refer to Drawing L-1.

4. **Location of Existing and/or Proposed Facilities**

   a. If the well is a producer, installation of production facilities will be as shown on Exhibit "H". Buried powerlines run along access on the east and north, gathering lines on the south or west.

   b. Rehabilitation of all pad areas not used for production facilities will be made in accordance with landowner stipulations.

5. **Location and Type of Water Supply**

   a. Water to be used for drilling will be purchased from the Price River Water Improvement District (a local source of municipal water) (tel. 435-637-6350).

   b. Water will be transported by truck over approved access roads.

   c. No water well is to be drilled for this location.

6. **Source of Construction Materials**

   a. Any necessary construction materials needed will be obtained locally and hauled to the location on existing roads.

   b. No construction or surfacing materials will be taken from Federal/Indian land.

7. **Methods for handling waste disposal**

   a. As the well will be air drilled, a small reserve pit will be constructed with a minimum of one-half the total depth below the original ground surface on the lowest point within the pit. The pit will not be lined unless conditions encountered during construction warrant it or if deemed necessary by the DOGM representative during the pre-site inspection. Three sides of the reserve pit will be fenced within 24 hours after completion of construction and the fourth side within 24 hours after drilling operation cease with woven wire topped with barbed wire to a height of not less than four feet. The fence will be kept in good repair while the pit is drying.

   b. Following drilling, the liquid waste will be evaporated from the pit and the pit back-filled and returned to natural grade. No liquid hydrocarbons will be discharged to the reserve pit or location.

   c. In the event fluids are produced, any oil will be retained in tankage until sold and any water produced will be retained until its quality can be determined. The quality and quantity of the water will determine the method of disposal.

   d. Trash will be contained in a portable metal container and will be hauled from location periodically and disposed of at an approved disposal site. Chemical toilets will be placed on location and sewage will be disposed of at an appropriate disposal site.

8. **Ancillary Facilities**

a. We anticipate no need for ancillary facilities with the exception of one trailer to be located on the drill site.

9. **Wellsite Layout**

a. Available topsoil will be removed from the location and stockpiled. Location of mud tanks, reserve and berm pits, and soil stockpiles will be located as shown on the attachments.

b. A blooie pit will be located 100' from the drill hole. A line will be placed on the surface from the center hole to the pit. The pit will not be lined, but will be fenced on four sides to protect livestock/wildlife.

c. Access to the well pad will be as shown on Drawing A-2 and L-1.

d. Natural runoff will be diverted around the well pad.

10. **Plans for Restoration of Surface**

a. All surface areas not required for producing operations will be graded to as near original condition as possible and contoured to maintain possible erosion to a minimum.

b. Available topsoil will be stockpiled and will be evenly distributed over the disturbed areas and the area will be reseeded as prescribed by the landowner.

c. Pits and any other area that would present a hazard to wildlife or livestock will be fenced off when the rig is released and removed.

11. **Surface Ownership**:

a. The wellsite and access road will be constructed on lands owned by the School and Institutional Trust Lands Administration. The operator shall contact the landowner representative and the Division of Oil, Gas and mining 48 hours prior to beginning construction activities.

12. **Other Information**:

a. The primary surface use is farming and grazing. The nearest dwelling is approximately 3.4 miles east.

b. Nearest live water is the Price River located 3 miles East.

c. If there is snow on the ground when construction begins, it will be removed before the soil is disturbed and piled downhill from the topsoil stockpile location.

d. The backslope and foreslope will be constructed no steeper than 4:l.

e. All equipment and vehicles will be confined to the access road and well pad.

f. A complete copy of the approved Application for Permit to Drill (APD) including conditions and stipulations, shall be on the wellsite during construction and drilling operations.

There will be no deviation from the proposed drilling and/or workover program without prior approval from the Division of Oil, Gas & Mining.

13. **Company Representative**

Jean Semborski
Construction/Asset Integrity Supervisor
ConocoPhillips Company
P.O. Box 851
6825 South 5300 West
Price, Utah 84501
(435) 613-9777
(435) 820-9807

Mail Approved A.P.D. To:

Company Representative

Excavation Contractor

Larry Jensen, Vice President
Nelco Contractors Inc.
Vice President
(435) 637-3495
(435) 636-5268

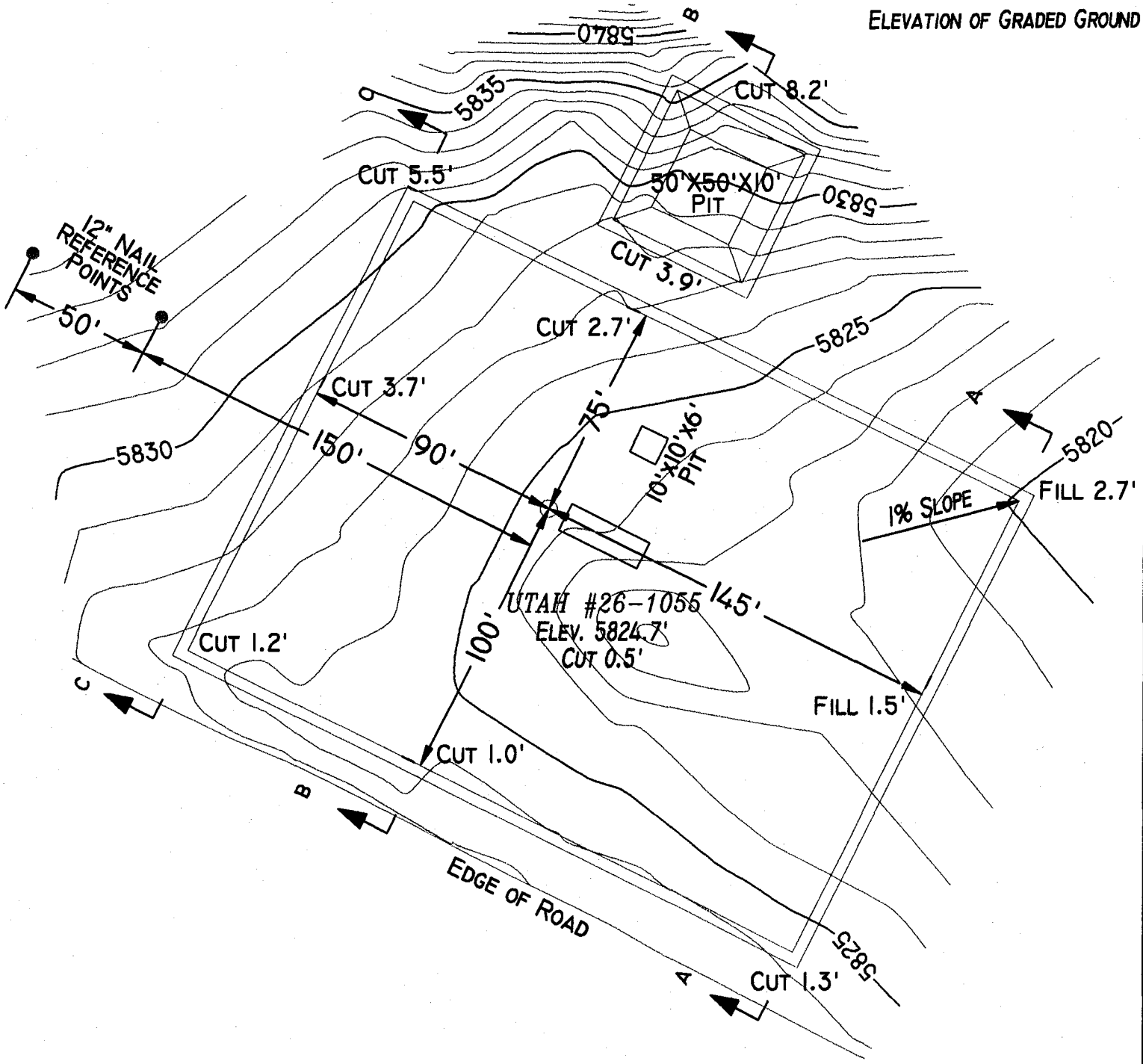
14. **Certification**

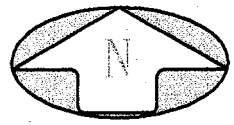
I hereby certify that I, or persons under my direct supervision have inspected the proposed drill site and access route; that I am familiar with the conditions which presently exist; that the statements made in this plan are, to the best of my knowledge, true and correct, and that the work associated with the operations proposed herein will be performed by ConocoPhillips Company and its subcontractors in conformity with this plan and the terms and conditions under which it is approved.

1/11/06
Date

Jean Semborski
Construction/Asset Integrity Supervisor
ConocoPhillips Company

ELEVATION OF UNGRADED GROUND AT LOCATION STAKE = 5824.7'
ELEVATION OF GRADED GROUND AT LOCATION STAKE = 5824.2'



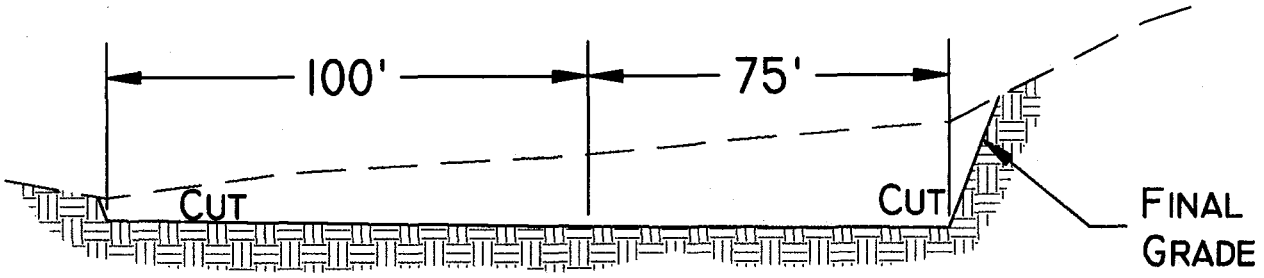


TALON RESOURCES, INC.
195 North 100 West P.O. Box 1230
Huntington, Utah 84528
Phone (435)687-5310 Fax (435)687-5311
E-Mail talonsetv.net

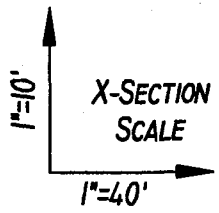
ConocoPhillips Company

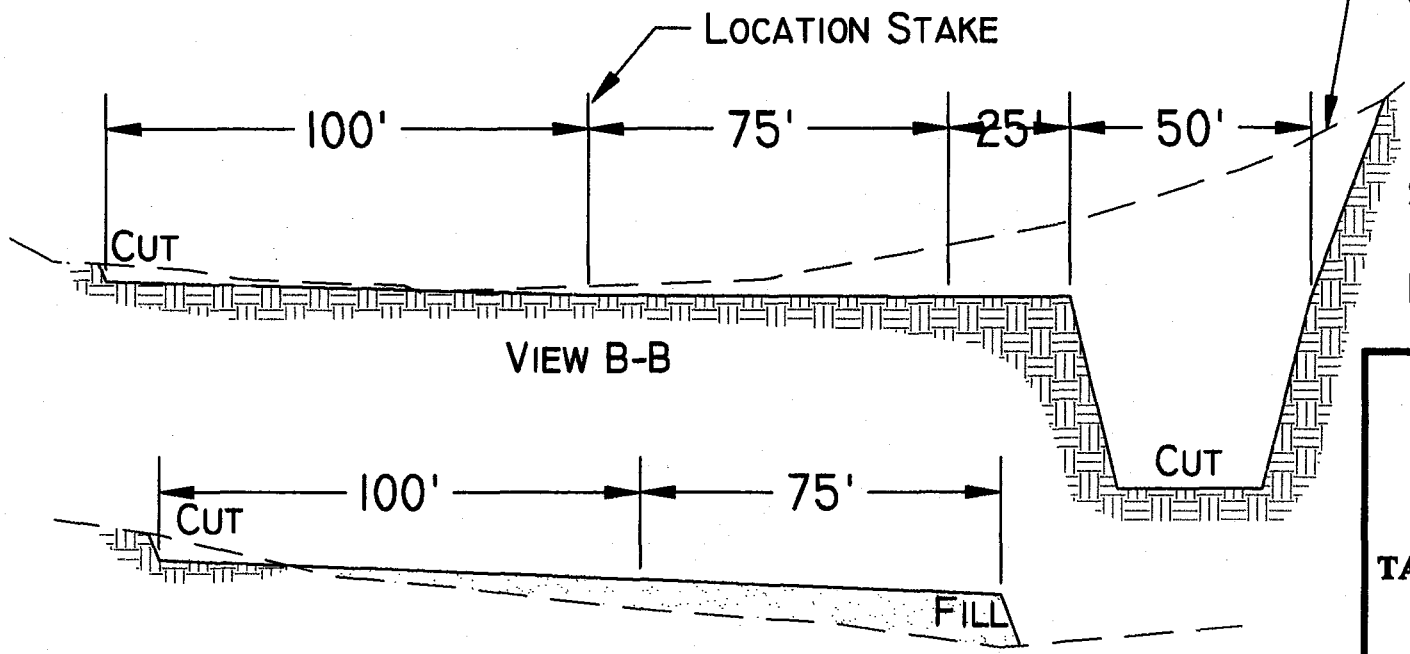
LOCATION LAYOUT
Section 26, T14S, R9E, S.L.B.&M.
WELL UTAH #26-1055

DRAWN BY: N. BUTKOVICH	CHECKED BY: L.W.J.
DRAWING NO. A-2	DATE: 12/29/05
	SCALE: 1" = 50'
SHEET 2 OF 4	JOB NO. 2119



VIEW C-C





VIEW B-B

SLOPE = 1 1/2 : 1
(EXCEPT PIT)
PIT SLOPE = 1 : 1

VIEW A-A

APPROXIMATE YARDAGES

CUT

(6")TOPSOIL STRIPPING = 810 CU. YDS.

REMAINING LOCATION = 3,575 CU, YDS.

(INCLUDING TOPSOIL STRIPPING)

TOTAL CUT (INCLUDING PIT) = 4,325 CU. YDS.

TOTAL FILL = 585 CU. YDS.

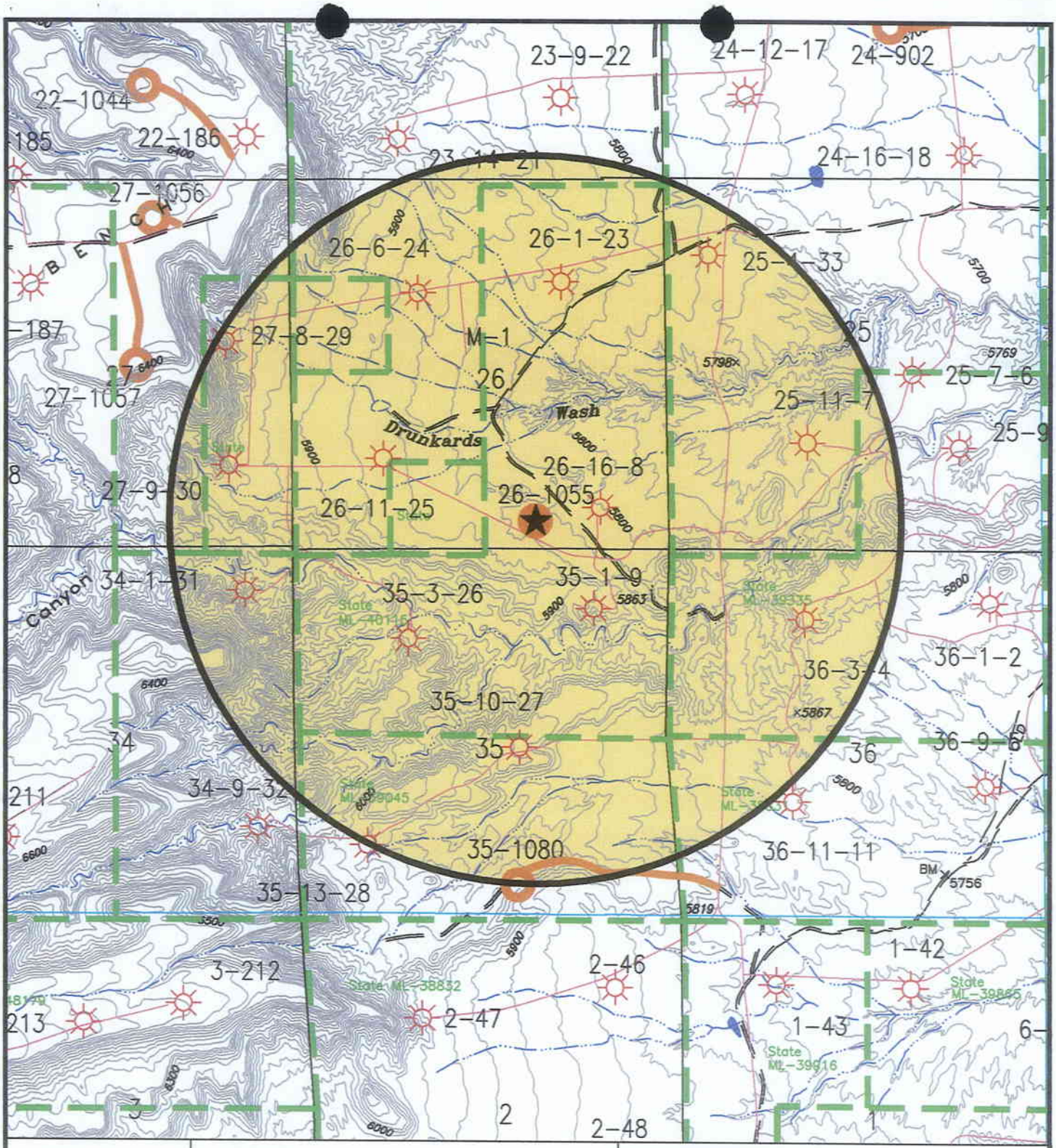
TALON RESOURCES, INC.

195 North 100 West P.O. Box 1230
Huntington, Utah 84528
Phone (435)687-5310 Fax (435)687-5311
E-Mail talonutv.net

ConocoPhillips Company

TYPICAL CROSS SECTION
Section 26, T14S, R9E, S.L.B.&M.
WELL UTAH #26-1055

Drawn By: N. BUTKOVICH	Checked By: L.W.J.
Drawing No. C-1	Date: 12/29/05
	Scale: 1" = 40'
Sheet 3 of 4	Job No. 2119



LEGEND

Proposed Well Location:
Other Proposed Well Locations:
Proposed Powerline:
Proposed Pipeline:
Proposed Roads:
Lease Boundary:
Existing Wells:

Scale: 1" = 2000'

December 29, 2005

ConocoPhillips Company
6825 South 5300 West
P.O. Box 851
Price, Utah 84501
Phone: (435) 613-9777
Fax: (435) 613-9782

ConocoPhillips Company

WELL UTAH #26-1055
Section 26, T14S, R9E, S.L.B.&M.
Drawing L-1 4 of 4

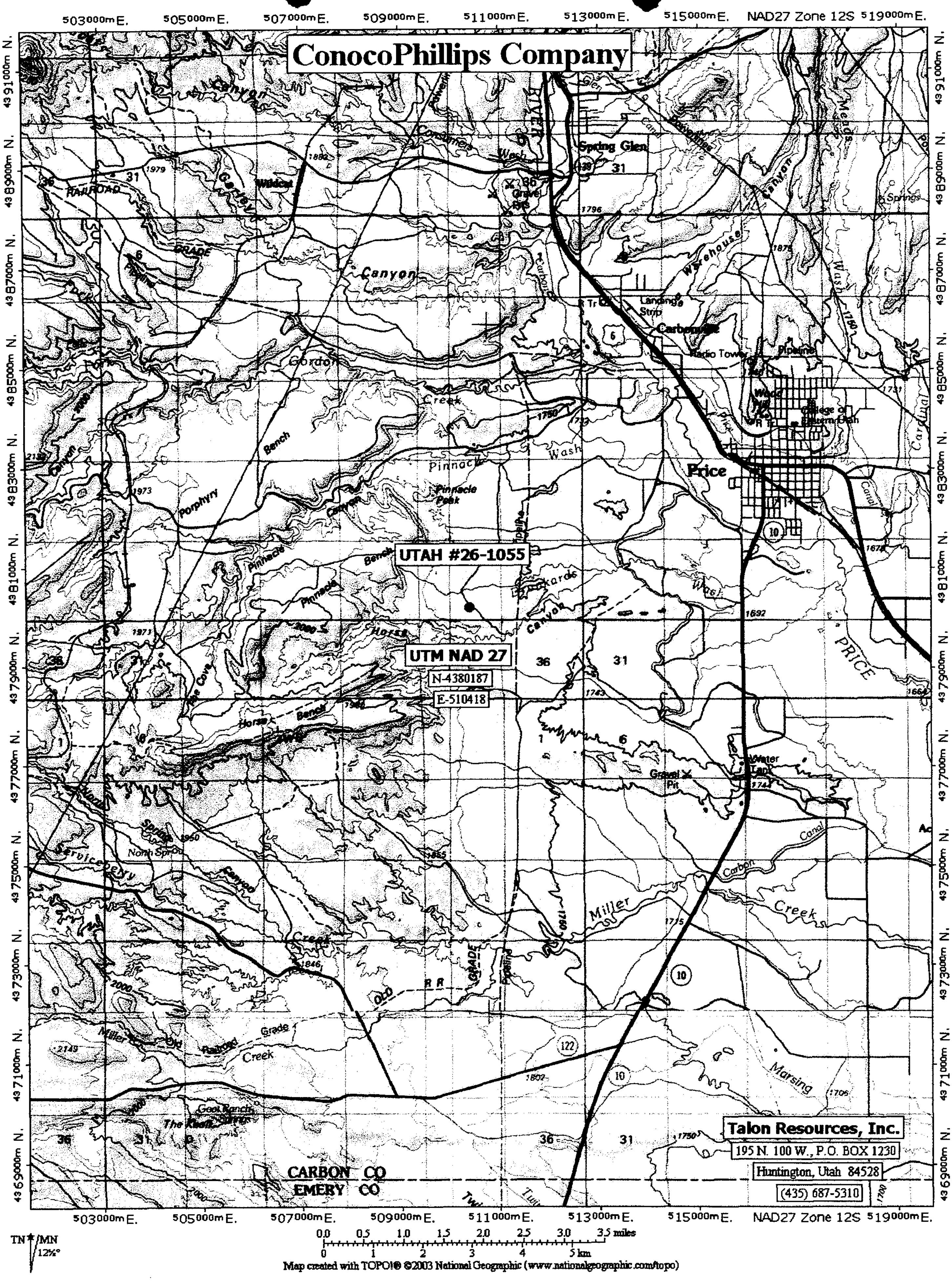

ConocoPhillips Company
UTAH #26-1055
UTM NAD 27
N-4380187
E-510418
Talon Resources, Inc.
195 N. 100 W., P.O. BOX 1230
Huntington, Utah 84528
(435) 687-5310
NAD27 Zone 12S
Spring Glen
Price
Carbonville
Pinnacle Peak
Miller Creek
CARBON CO
EMERY CO
TN MN 12½°
Map created with TOPO!® ©2003 National Geographic (www.nationalgeographic.com/topo)

EXHIBIT C

APPROXIMATE LAYOUT OF RIG & EQUIPMENT

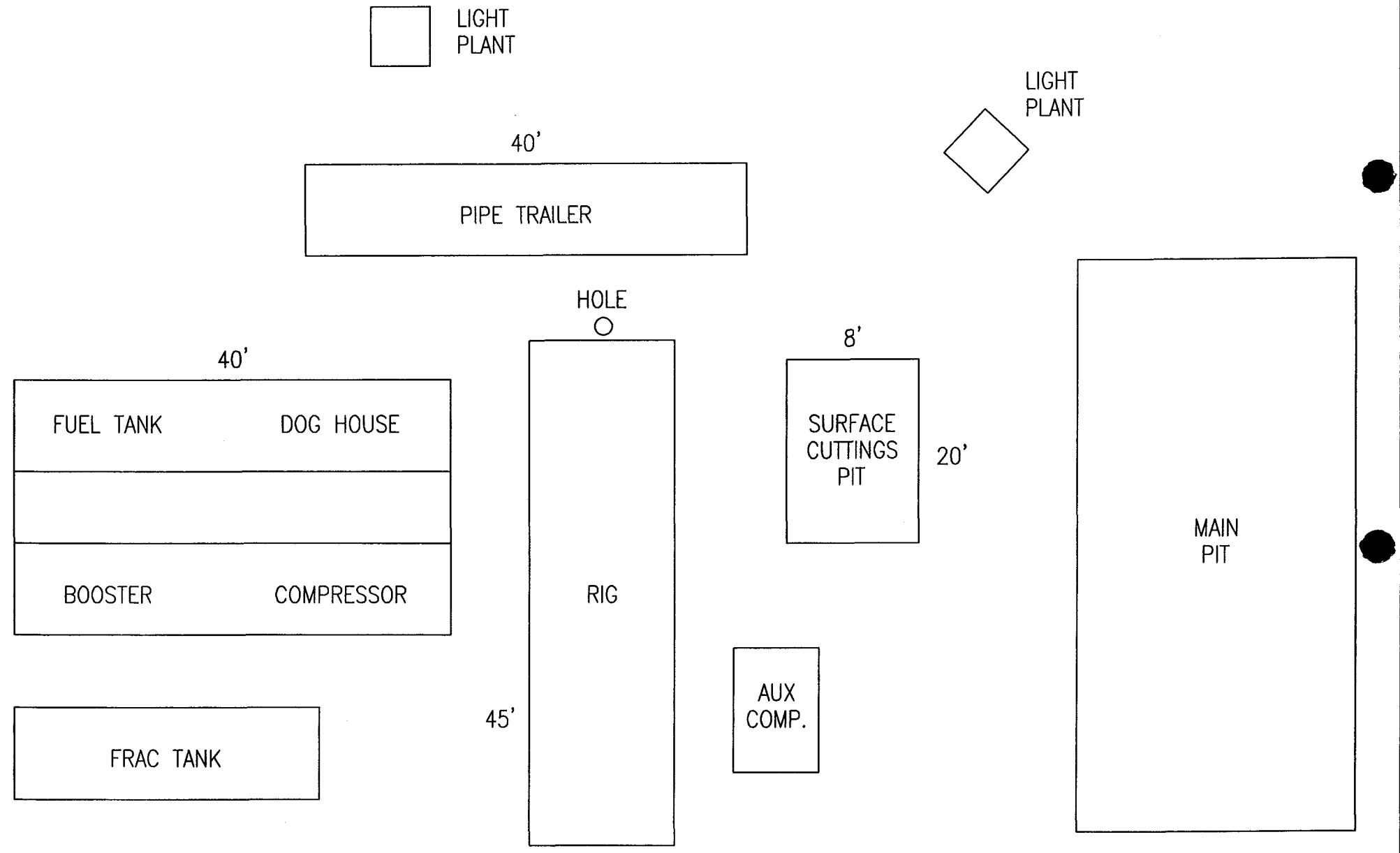


EXHIBIT E

CONOCOPHILLIPS COMPANY

WELL SITE LAYOUT (235' x 175')

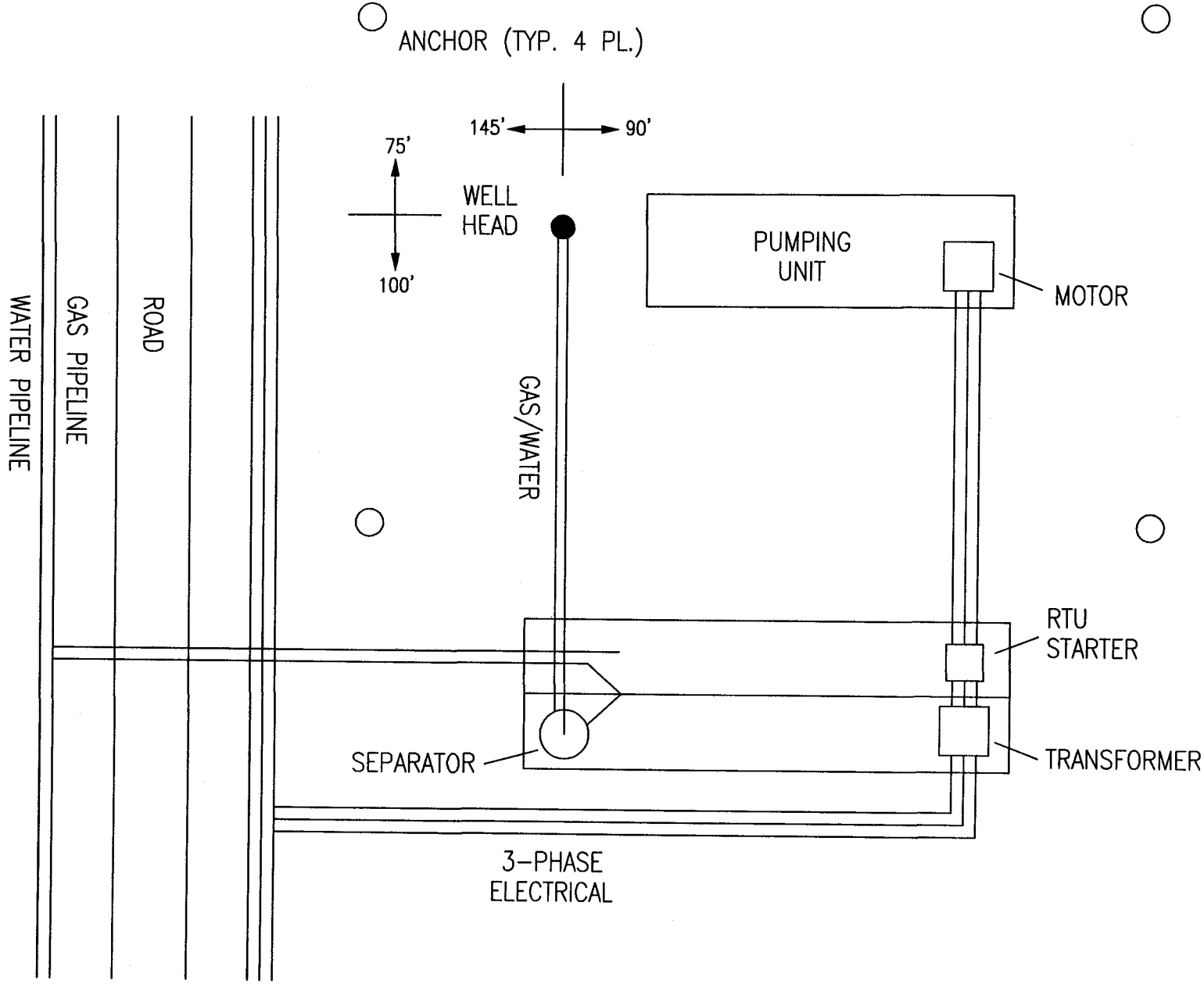
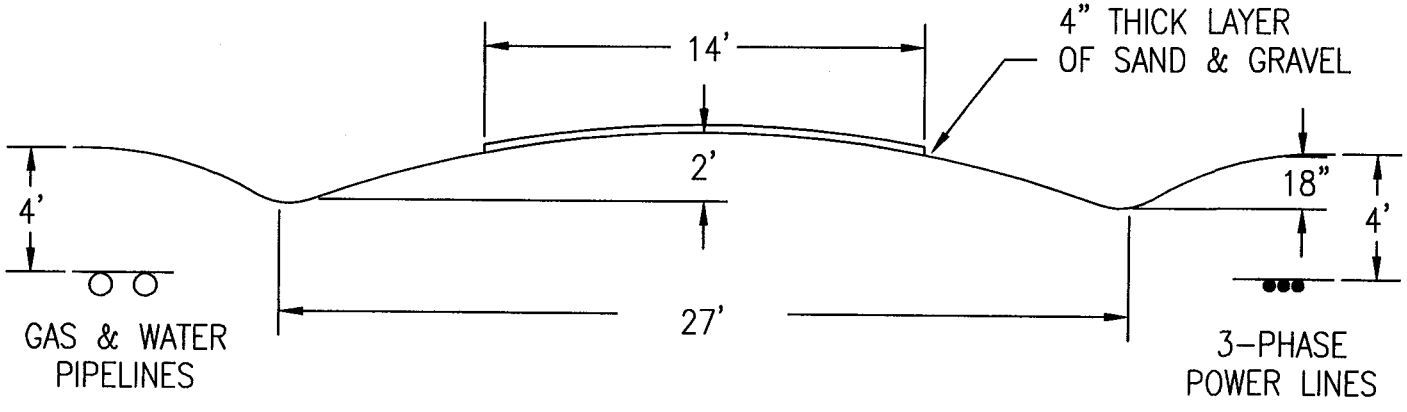


EXHIBIT F

TYPICAL ROAD CROSS-SECTION
CONOCOPHILLIPS COMPANY



DIVERTER HEAD
CONOCOPHILLIPS COMPANY

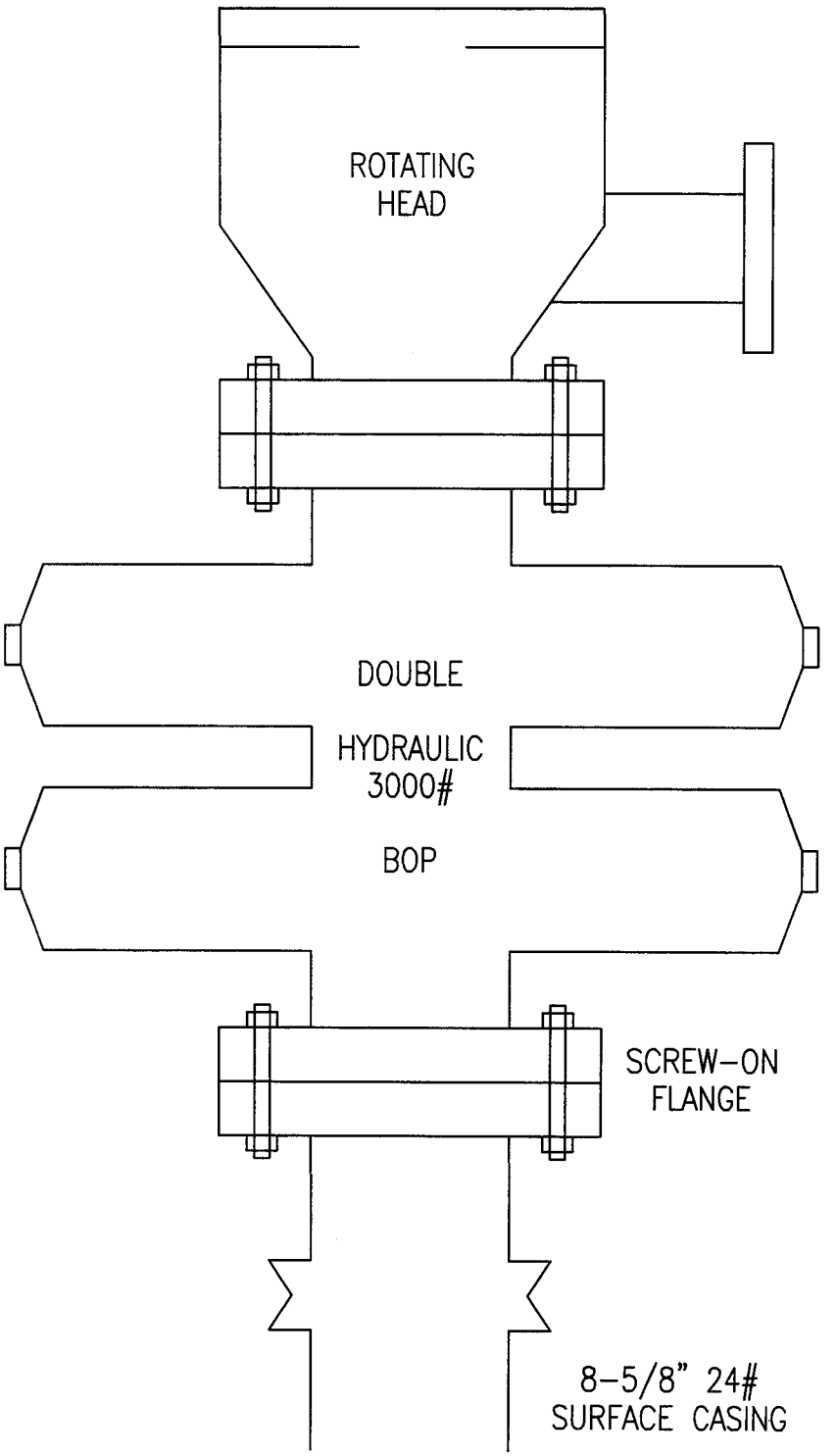
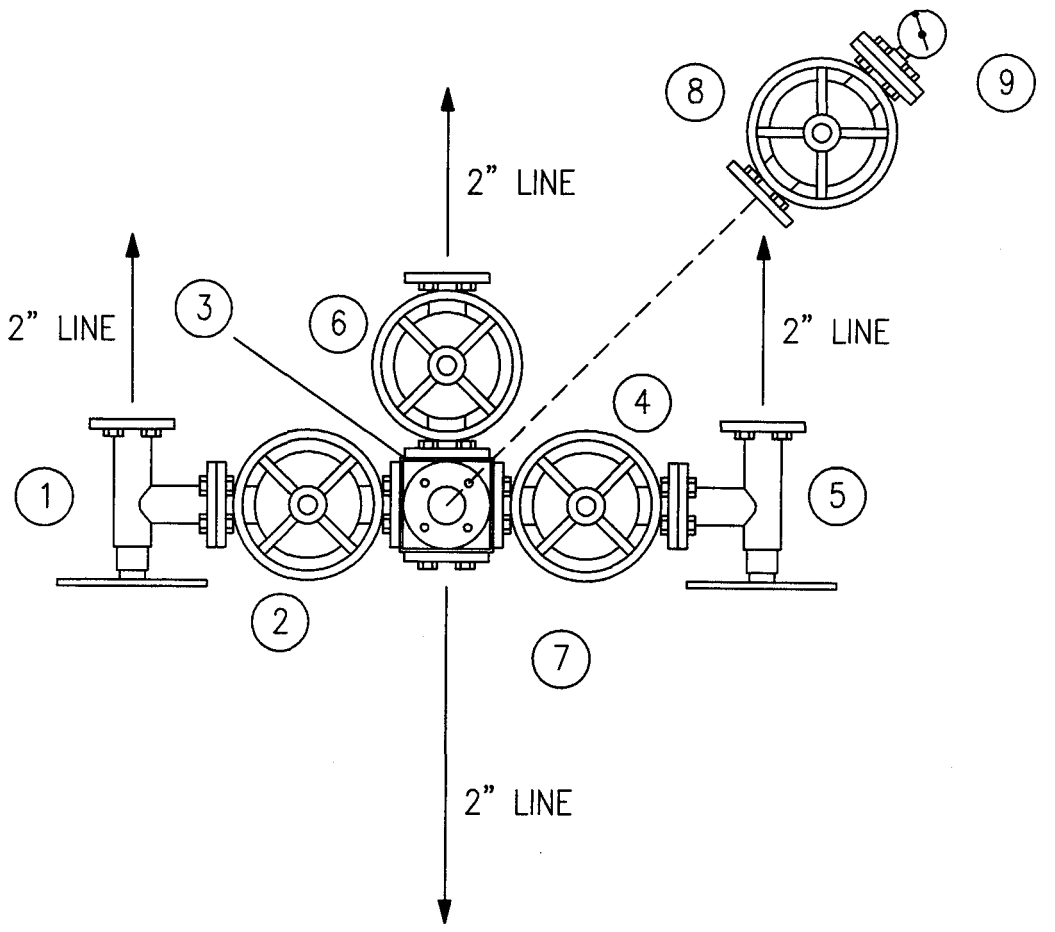


EXHIBIT G

CONOCOPHILLIPS COMPANY

(1) 2" 5M FLANGED CHOKE
(2) 2" 5M GATE VALVE (FLANGED)
(3) 2" 5M STUDDED CROSS
(4) 2" 5M GATE VALVE (FLANGED)
(5) 2" 5M FLANGED CHOKE
(6) 2" 5M GATE VALVE (FLANGED)
(7) 2" LINE
(8) 2" 5M GATE VALVE (FLANGED)
(9) 3000# GAUGE

NOTE:
NUMBER 8 GATE VALVE SITS ON TOP OF MANIFOLD BETWEEN STUDDED CROSS AND 3000# GAUGE.



TO BOP
AND A NEW 2" BALL VALVE
FULL OPEN 5000 PSI

MANIFOLD

EXHIBIT H

Bond No. 6196922

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 4A

SURETY BOND

KNOW ALL MEN BY THESE PRESENTS:

That we (operator name) CONOCOPHILLIPS COMPANY and as Principal,

(surety name) SAFECO INSURANCE COMPANY OF AMERICA and qualified to do business in the State of Utah, are held and firmly bound unto the State of Utah in the sum of:

EIGHTY THOUSAND AND NO/100********** dollars ($ 80,000.00) lawful money of the United States, payable to the Director of the Division of Oil, Gas and Mining, as agent of the State of Utah, for the use and benefit of the State of Utah for the faithful payment of which we bind ourselves, our heirs, executors, administrators and successors, jointly and severally by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH THAT, WHEREAS the Principal is or will be engaged in the drilling, redrilling, deepening, repairing, operating, and plugging and abandonment of a well or wells and restoring the well site or sites in the State of Utah for the purposes of oil or gas production and/or the injection and disposal of fluids in connection therewith for the following described land or well:

X Blanket Bond: To cover all wells drilled in the State of Utah

____ Individual Bond: Well No: _____

Section: _____ Township: _____ Range: _____

County: _____, Utah

NOW, THEREFORE, if the above bounden Principal shall comply with all the provisions of the laws of the State of Utah and the rules, orders and requirements of the Board of Oil, Gas and Mining of the State of Utah, including, but not limited to the proper plugging and abandonment of wells and well site restoration, then this obligation is void; otherwise, the same shall be and remain in full force and effect.

IN TESTIMONY WHEREOF, said Principal has hereunto subscribed its name and has caused this instrument to be signed by its duly authorized officers and its corporate or notary seal to be affixed this

30th day of Dec, 20 02.

(Corporate or Notary Seal here)

Attestee: [signature] Date: 12-30-02

By

CONOCOPHILLIPS COMPANY
Principal (company name)

James F. Hughes — Corporate Insurance Manager
Name (print) Title

James F. Hughes
Signature

IN TESTIMONY WHEREOF, said Surety has caused this instrument to be signed by its duly authorized officers and its corporate or notary seal to be affixed this

1ST day of JANUARY, 20 03.

(Corporate or Notary Seal here)

Carolyn E. Wheeler
Attestee: Date: 12/20/2002

CAROLYN E. WHEELER
NOTARY PUBLIC
MY COMMISSION EXPIRES: NOVEMBER 1, 2006

By

SAFECO INSURANCE COMPANY OF AMERICA
Surety Company (Attach Power of Attorney)

TINA MARIE FOSTER — ATTORNEY-IN-FACT
Name (print) Title

Tina Marie Foster
Signature

C/O MARSH USA INC.
Surety Mailing Address

P.O. BOX 36012, KNOXVILLE, TN 37930-6012
City State Zip

(5/2002)

WORKSHEET
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 01/12/2006

API NO. ASSIGNED: 43-007-31110

WELL NAME: UTAH 26-1055

OPERATOR: CONOCOPHILLIPS COMPANY (N2335)

PHONE NUMBER: 435-613-9777

CONTACT: JEAN SEMBORSKI

PROPOSED LOCATION:

SWSE 26 140S 090E

SURFACE: 0574 FSL 1830 FEL

BOTTOM: 0574 FSL 1830 FEL

COUNTY: CARBON

LATITUDE: 39.57306 LONGITUDE: -110.8786

UTM SURF EASTINGS: 510426 NORTHINGS: 4380171

FIELD NAME: DRUNKARDS WASH (48)

INSPECT LOCATN BY: / /		
Tech Review	**Initials**	**Date**
Engineering	DKD	2/13/06
Geology		
Surface		

LEASE TYPE: 3 - State

LEASE NUMBER: ML-40115

SURFACE OWNER: 3 - State

PROPOSED FORMATION: FRSD

COALBED METHANE WELL? YES

RECEIVED AND/OR REVIEWED:

✓ Plat

✓ Bond: Fed[] Ind[] Sta[] Fee[]
(No. 6196922)

N Potash (Y/N)

N Oil Shale 190-5 (B) or 190-3 or 190-13

✓ Water Permit
(No. MUNICIPAL)

N RDCC Review (Y/N)
(Date:)

N/A Fee Surf Agreement (Y/N)

N/A Intent to Commingle (Y/N)

LOCATION AND SITING:

___ R649-2-3.

Unit: DRUNKARDS WASH ok

___ R649-3-2. General

Siting: 460 From Qtr/Qtr & 920' Between Wells

___ R649-3-3. Exception

✓ Drilling Unit

Board Cause No: 243-2

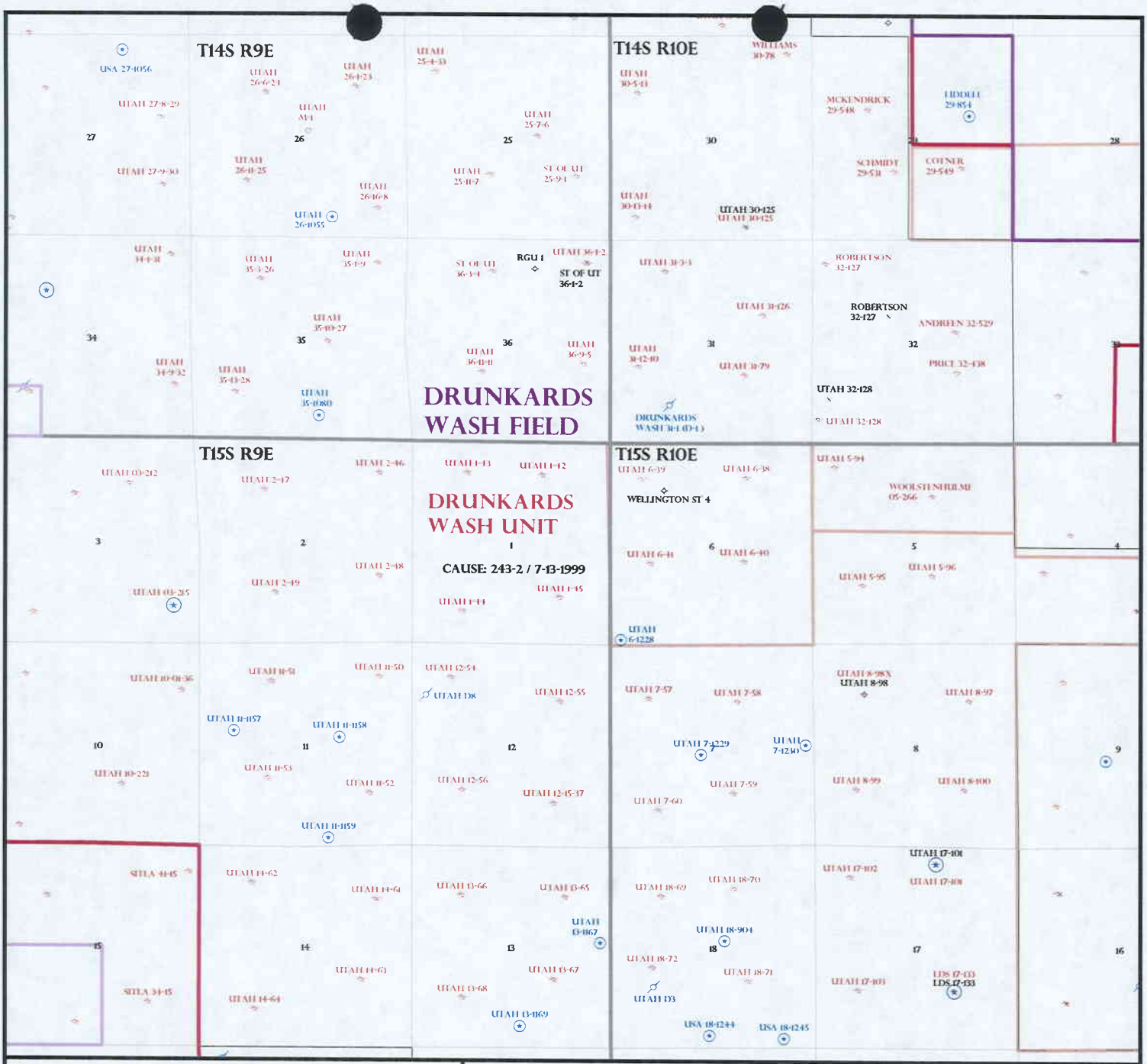
Eff Date: 7-13-1999

Siting: 460' fr u bdrys & uncomm. tract

___ R649-3-11. Directional Drill

COMMENTS: Needs Presite (Recd 2-1-06)

STIPULATIONS: 1- STATEMENT OF BASIS



OPERATOR: CONOCOPHILLIPS CO (N2335)

SEC: 26,35 T. 14S R. 9E

FIELD: DRUNKARDS WASH (48)

COUNTY: CARBON

CAUSE: 243-2 / 7-13-1999

Field Status
- ABANDONED
- ACTIVE
- COMBINED
- INACTIVE
- PROPOSED
- STORAGE
- TERMINATED

Unit Status
- EXPLORATORY
- GAS STORAGE
- NF PP OIL
- NF SECONDARY
- PENDING
- PI OIL
- PP GAS
- PP GEOTHERML
- PP OIL
- SECONDARY
- TERMINATED

Wells Status
- GAS INJECTION
- GAS STORAGE
- LOCATION ABANDONED
- NEW LOCATION
- PLUGGED & ABANDONED
- PRODUCING GAS
- PRODUCING OIL
- SHUT-IN GAS
- SHUT-IN OIL
- TEMP. ABANDONED
- TEST WELL
- WATER INJECTION
- WATER SUPPLY
- WATER DISPOSAL
- DRILLING

Utah Oil Gas and Mining

N W E S

PREPARED BY: DIANA WHITNEY
DATE: 18-JANUARY-2006

DIVISION OF OIL, GAS AND MINING
APPLICATION FOR PERMIT TO DRILL
STATEMENT OF BASIS

OPERATOR: ConocoPhillips Company
WELL NAME & NUMBER: Utah 26-1055
API NUMBER: 43-007-31110
LOCATION: 1/4,1/4 SWSE Sec:26 TWP: 14 S RNG: 9 E 574 FSL 1830 FEL

Geology/Ground Water:

A well at this location will spud into a thin soil developed on Quaternary Slope Wash covering the Cretaceous age Blue Gate Member of the Mancos Shale. There are no aquifers with high quality ground water that are likely to be encountered. The proposed casing and cement program will adequately isolate any zones of water penetrated. There are numerous water rights filed by this Operator on underground sources of water within a mile of this location.

Reviewer: Christopher J. Kierst **Date:** 2/8/06

Surface:

Proposed location is ~4 miles southwest of Price, Utah. The current surface use of the immediate area surrounding the proposed well is grazing and wildlife habitat. Access to this well will be along existing ConocoPhillips gas field roads and County maintained roads. Approximately 100' of new access road will be built for this location. The direct area drains to the east, towards Drunkards Wash, then further east eventually into the Price River, a year-round live water source. 16 producing, shut-in, SWD, and/or PA wells are within a 1-mile radius of the above proposed well. Location layout, current surface status and characteristics, planned disturbances, access and utility route, wildlife issues, and the reserve pit characteristics were all discussed. Jim Davis (SITLA), Corey Wilcox (ConocoPhillips), Nathan Sill (DWR), and Larry Jensen (NELCO) were in attendance. Carbon County was invited but chose not to attend.

Reviewer: Mark L. Jones **Date:** February 2, 2006

Conditions of Approval/Application for Permit to Drill:

1.
2.
3.
4.
5.
6.
7.

ON-SITE PREDRILL EVALUATION
Division of Oil, Gas and Mining

OPERATOR: ConocoPhillips Company
WELL NAME & NUMBER: Utah 26-1055
API NUMBER: 43-007-31110
LEASE: State **FIELD/UNIT:** Drunkards Wash UTU-67921X
LOCATION: 1/4,1/4 SWSE **Sec:** 26 **TWP:** 14S **RNG:** 9E 574 FSL 1830 FEL
LEGAL WELL SITING: F **SEC. LINE;** F **1/4,1/4 LINE;** F **ANOTHER WELL.**
GPS COORD (UTM): X =510432 E; Y =438075 N **SURFACE OWNER:** SITLA.

PARTICIPANTS

M. Jones (DOGM), Jim Davis (SITLA), Corey Wilcox (ConocoPhillips), Nathan Sill (DWR), and Larry Jensen (NELCO) were in attendance. Carbon County was invited but chose not to attend.

REGIONAL/LOCAL SETTING & TOPOGRAPHY

Proposed location is ~4 miles southwest of Price, Utah. The current surface use of the immediate area surrounding the proposed well is grazing and wildlife habitat. Access to this well will be along existing ConocoPhillips gas field roads and County maintained roads. Approximately 100' of new access road will be built for this location. The direct area drains to the east, towards Drunkards Wash, then further east eventually into the Price River, a year-round live water source.

SURFACE USE PLAN

CURRENT SURFACE USE: Grazing and wildlife habitat.

PROPOSED SURFACE DISTURBANCE: 175' x 235' w/ 50' x 50' x 10' (excluded) pit.

LOCATION OF EXISTING WELLS WITHIN A 1-MILE RADIUS: 16 producing, shut-in, SWD, and/or PA wells are within a 1-mile radius of the above proposed well.

LOCATION OF PRODUCTION FACILITIES AND PIPELINES: On location and along roadway.

SOURCE OF CONSTRUCTION MATERIAL: Obtained locally and trucked to site.

ANCILLARY FACILITIES: None anticipated.

WILL DRILLING AT THIS LOCATION GENERATE PUBLIC INTEREST OR CONCERNS? (EXPLAIN): No.

WASTE MANAGEMENT PLAN:

Portable chemical toilets which will be emptied into the municipal waste treatment system; garbage cans on location will be emptied into centralized dumpsters which will be emptied into an approved landfill. Crude oil production is unlikely. Drilling fluid, completion / frac fluid and cuttings will be buried in the pit after evaporation and

slashing the pit liner. Produced water will be gathered to the evaporation pit and eventually injected into the Navajo Sandstone via a salt-water disposal well. Used oil from drilling operations and support is hauled to a used oil recycler and reused.

ENVIRONMENTAL PARAMETERS

AFFECTED FLOODPLAINS AND/OR WETLANDS: Dry washes run throughout the immediate area.

FLORA/FAUNA: Sagebrush/shadescale community.

SOIL TYPE AND CHARACTERISTICS: Mancos clay.

SURFACE FORMATION & CHARACTERISTICS:

EROSION/SEDIMENTATION/STABILITY: Erosive upon disturbance.

PALEONTOLOGICAL POTENTIAL: None observed.

RESERVE PIT

CHARACTERISTICS: Dugout earthen, 50'x50'x10', exterior to location.

LINER REQUIREMENTS (Site Ranking Form attached): None Required.

SURFACE RESTORATION/RECLAMATION PLAN

As per surface use agreement.

SURFACE AGREEMENT: With SITLA lease.

CULTURAL RESOURCES/ARCHAEOLOGY: Completed by SencoPheonix.

OTHER OBSERVATIONS/COMMENTS

Utah 35-1080 and Utah 34-1217 are within crucial deer winter range and should be treated as such. However we do not have any objections to ConnocoPhillips drilling during closures because ConnocoPhillips has agreed to mitigation to compensate for the impacts of the wells proposed for 2006. Utah 4-1267, Utah 2-1264, Utah 6-1228, Utah 7-1229, Utah 7-1230, and Utah 26-1055 no wildlife concerns for these 6 wells.

ATTACHMENTS

Photos of this location were taken and placed on file.

Mark L. Jones	February 1, 2006 / 12:30 pm
DOGM REPRESENTATIVE	DATE/TIME

Evaluation Ranking Criteria and Ranking Score
For Reserve and Onsite Pit Liner Requirements

Site-Specific Factors	Ranking	Site Ranking
Distance to Groundwater (feet)		
>200	0	
100 to 200	5	
75 to 100	10	
25 to 75	15	
<25 or recharge area	20	0
Distance to Surf. Water (feet)		
>1000	0	
300 to 1000	2	
200 to 300	10	
100 to 200	15	
< 100	20	0
Distance to Nearest Municipal Well (feet)		
>5280	0	
1320 to 5280	5	
500 to 1320	10	
<500	20	0
Distance to Other Wells (feet)		
>1320	0	
300 to 1320	10	
<300	20	0
Native Soil Type		
Low permeability	0	
Mod. permeability	10	
High permeability	20	10
Fluid Type		
Air/mist	0	
Fresh Water	5	
TDS >5000 and <10000	10	
TDS >10000 or Oil Base Mud Fluid containing significant levels of hazardous constituents	15 20	0
Drill Cuttings		
Normal Rock	0	
Salt or detrimental	10	0
Annual Precipitation (inches)		
<10	0	
10 to 20	5	
>20	10	0
Affected Populations		
<10	0	
10 to 30	6	
30 to 50	8	
>50	10	0
Presence of Nearby Utility Conduits		
Not Present	0	
Unknown	10	
Present	15	0

Final Score 10 (Level III Sensitivity)

Sensitivity Level I = 20 or more; total containment is required, consider criteria for excluding pit use.
Sensitivity Level II = 15-19; lining is discretionary.
Sensitivity Level III = below 15; no specific lining is required.


02.01.2006 12:34


02.01.2006 12:34


02-01-2006 12:33

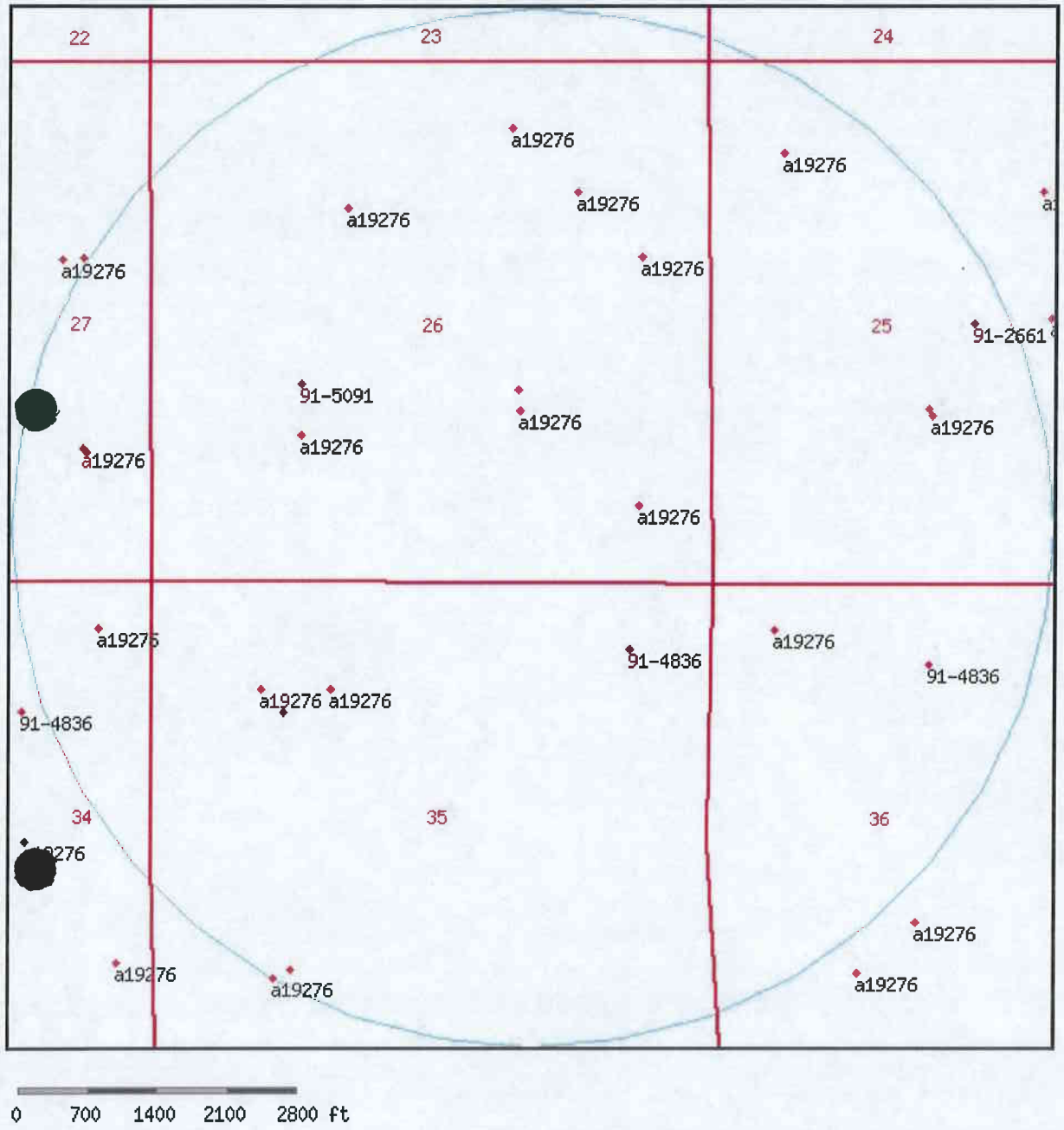

02-01-2006 12:33

UTAH DIVISION OF WATER RIGHTS

WRPLAT Program Output Listing

Version: 2004.12.30.00 Rundate: 02/08/2006 11:35 AM

Radius search of 5280 feet from a point N574 W1830 from the SE corner, section 26, Township 14S, Range 9E, SL b&m Criteria:wrtypes=W,C,E podtypes=all status=U,A,P usetypes=all



Water Rights

WR Number	Diversion Type/Location	Well Log	Status	Priority	Uses	CFS	ACFT	Owner Name
91-2661	Point to Point 0 0 25 14S 9E SL		P	19020000	S	0.000	0.000	UTAH SCHOOL AND INSTITUTIONAL TRUST LANDS ADMIN. 675 EAST 500 SOUTH, 5TH FLOOR
91-4835	Underground S1320 W1320 NE 34 14S 9E SL		U	19930623	IMOS	20.000	0.000	CONOCOPHILLIPS COMPANY P. O. BOX 851
91-4835	Underground 0 W1320 E4 34 14S 9E SL		U	19930623	IMOS	20.000	0.000	CONOCOPHILLIPS COMPANY P. O. BOX 851
91-4835	Underground S1980 W660 NE 27 14S 9E SL		U	19930623	IMOS	20.000	0.000	CONOCOPHILLIPS COMPANY P. O. BOX 851
91-4835	Underground N1320 W660 SE 27 14S 9E SL		U	19930623	IMOS	20.000	0.000	CONOCOPHILLIPS COMPANY P. O. BOX 851
91-4835	Underground S1320 E1320 NW 35 14S 9E SL		U	19930623	IMOS	20.000	0.000	CONOCOPHILLIPS COMPANY P. O. BOX 851
91-4835	Underground N1320 E1320 SW 35 14S 9E SL		U	19930623	IMOS	20.000	0.000	CONOCOPHILLIPS COMPANY P. O. BOX 851
91-4835	Underground S660 W1980 NE 26 14S 9E SL		U	19930623	IMOS	20.000	0.000	CONOCOPHILLIPS COMPANY P. O. BOX 851
91-4835	Underground N1980 W1980 SE 26 14S 9E SL		U	19930623	IMOS	20.000	0.000	CONOCOPHILLIPS COMPANY P. O. BOX 851
91-4835	Underground S650 W850 NE 35 14S 9E SL		U	19930623	IMOS	20.000	0.000	CONOCOPHILLIPS COMPANY P. O. BOX 851
91-4835	Underground N800 W750 SE 26		U	19930623	IMOS	20.000	0.000	CONOCOPHILLIPS COMPANY P. O. BOX 851

	14S 9E SL			
91-4835	Underground	U	19930623 IMOS 20.000 0.000	CONOCOPHILLIPS COMPANY
	S1980 W660 NE 26 14S 9E SL			P. O. BOX 851
91-4835	Underground	U	19930623 IMOS 20.000 0.000	CONOCOPHILLIPS COMPANY
	N1320 E1320 SE 35 14S 9E SL			P. O. BOX 851
91-4835	Underground	U	19930623 IMOS 20.000 0.000	CONOCOPHILLIPS COMPANY
	N1837 E1903 SW 36 14S 9E SL			P. O. BOX 851
91-4835	Underground	U	19930623 IMOS 20.000 0.000	CONOCOPHILLIPS COMPANY
	S822 E2176 NW 36 14S 9E SL			P. O. BOX 851
91-4835	Underground	U	19930623 IMOS 20.000 0.000	CONOCOPHILLIPS COMPANY
	N1780 E2180 SW 25 14S 9E SL			P. O. BOX 851
91-4835	Underground	U	19930623 IMOS 20.000 0.000	CONOCOPHILLIPS COMPANY
	S1320 W1980 NE 25 14S 9E SL			P. O. BOX 851
91-4835	Underground	U	19930623 IMOS 20.000 0.000	CONOCOPHILLIPS COMPANY
	S2599 W1902 NE 25 14S 9E SL			P. O. BOX 851
91-4836	Underground	U	19930623 IMOS 15.000 0.000	CONOCOPHILLIPS COMPANY
	S1320 W1320 NE 34 14S 9E SL			P. O. BOX 851
91-4836	Underground	U	19930623 IMOS 15.000 0.000	CONOCOPHILLIPS COMPANY
	0 W1320 E4 34 14S 9E SL			P. O. BOX 851
91-4836	Underground	U	19930623 IMOS 15.000 0.000	CONOCOPHILLIPS COMPANY
	S1980 W660 NE 27 14S 9E SL			P. O. BOX 851
91-4836	Underground	U	19930623 IMOS 15.000 0.000	CONOCOPHILLIPS COMPANY
	N1320 W660 SE 27 14S 9E SL			P. O. BOX 851
91-4836	Underground	U	19930623 IMOS 15.000 0.000	CONOCOPHILLIPS COMPANY

	S1320 E1320 NW 35 14S 9E SL			P. O. BOX 851
91-4836	Underground	U	19930623 IMOS 15.000 0.000	CONOCOPHILLIPS COMPANY
	N1320 E1320 SW 35 14S 9E SL			P. O. BOX 851
91-4836	Underground	U	19930623 IMOS 15.000 0.000	CONOCOPHILLIPS COMPANY
	S660 W1980 NE 26 14S 9E SL			P. O. BOX 851
91-4836	Underground	U	19930623 IMOS 15.000 0.000	CONOCOPHILLIPS COMPANY
	N1980 W1980 SE 26 14S 9E SL			P. O. BOX 851
[redacted]4836	Underground	U	19930623 IMOS 15.000 0.000	CONOCOPHILLIPS COMPANY
	S650 W850 NE 35 14S 9E SL			P. O. BOX 851
91-4836	Underground	U	19930623 IMOS 15.000 0.000	CONOCOPHILLIPS COMPANY
	N800 W750 SE 26 14S 9E SL			P. O. BOX 851
91-4836	Underground	U	19930623 IMOS 15.000 0.000	CONOCOPHILLIPS COMPANY
	S1980 W660 NE 26 14S 9E SL			P. O. BOX 851
91-4836	Underground	U	19930623 IMOS 15.000 0.000	CONOCOPHILLIPS COMPANY
	N1320 E1320 SE 35 14S 9E SL			P. O. BOX 851
91-4836	Underground	U	19930623 IMOS 15.000 0.000	CONOCOPHILLIPS COMPANY
[redacted]	N1837 E1903 SW 36 14S 9E SL			P. O. BOX 851
91-4836	Underground	U	19930623 IMOS 15.000 0.000	CONOCOPHILLIPS COMPANY
	S822 E2176 NW 36 14S 9E SL			P. O. BOX 851
91-4836	Underground	U	19930623 IMOS 15.000 0.000	CONOCOPHILLIPS COMPANY
	N1780 E2180 SW 25 14S 9E SL			P. O. BOX 851
91-4836	Underground	U	19930623 IMOS 15.000 0.000	CONOCOPHILLIPS COMPANY
	S1320 W1980 NE 25 14S 9E SL			P. O. BOX 851

91-4836	Underground S2599 W1902 NE 25 14S 9E SL	U	19930623 IMOS	15.000	0.000 CONOCOPHILLIPS COMPANY P. O. BOX 851
91-4952	Underground 0 W1320 E4 34 14S 9E SL	A	19930623 IMOS	5.000	0.000 CONOCOPHILLIPS COMPANY P. O. BOX 851
91-4952	Underground S2006 W872 NE 27 14S 9E SL	A	19930623 IMOS	5.000	0.000 CONOCOPHILLIPS COMPANY P. O. BOX 851
91-4952	Underground N1359 W707 SE 27 14S 9E SL	A	19930623 IMOS	5.000	0.000 CONOCOPHILLIPS COMPANY P. O. BOX 851
91-4952	Underground S464 W540 NE 34 14S 9E SL	A	19930623 IMOS	5.000	0.000 CONOCOPHILLIPS COMPANY P. O. BOX 851
91-4952	Underground N1398 W435 SE 34 14S 9E SL	A	19930623 IMOS	5.000	0.000 CONOCOPHILLIPS COMPANY P. O. BOX 851
91-4952	Underground S1085 E1085 NW 35 14S 9E SL	A	19930623 IMOS	5.000	0.000 CONOCOPHILLIPS COMPANY P. O. BOX 851
91-4952	Underground N1236 E1152 SW 35 14S 9E SL	A	19930623 IMOS	5.000	0.000 CONOCOPHILLIPS COMPANY P. O. BOX 851
91-4952	Underground N1500 E1500 SW 26 14S 9E SL	A	19930623 IMOS	5.000	0.000 CONOCOPHILLIPS COMPANY P. O. BOX 851
91-4952	Underground S1085 E1805 NW 35 14S 9E SL	A	19930623 IMOS	5.000	0.000 CONOCOPHILLIPS COMPANY P. O. BOX 851
91-4952	Underground S1480 E2000 NW 26 14S 9E SL	A	19930623 IMOS	5.000	0.000 CONOCOPHILLIPS COMPANY P. O. BOX 851
91-4952	Underground S660 W1980 NE 26	A	19930623 IMOS	5.000	0.000 CONOCOPHILLIPS COMPANY P. O. BOX 851

	14S 9E SL				
91-4952	Underground	A	19930623 IMOS 5.000	0.000	CONOCOPHILLIPS COMPANY
	N1980 W1980 SE 26 14S 9E SL				P. O. BOX 851
91-4952	Underground	A	19930623 IMOS 5.000	0.000	CONOCOPHILLIPS COMPANY
	N1778 W1978 NE 35 14S 9E SL				P. O. BOX 851
91-4952	Underground	A	19930623 IMOS 5.000	0.000	CONOCOPHILLIPS COMPANY
	S1320 W1320 NE 26 14S 9E SL				P. O. BOX 851
91-4952	Underground	A	19930623 IMOS 5.000	0.000	CONOCOPHILLIPS COMPANY
	N800 W750 SE 26 14S 9E SL				P. O. BOX 851
91-4952	Underground	A	19930623 IMOS 5.000	0.000	CONOCOPHILLIPS COMPANY
	S1980 W660 NE 26 14S 9E SL				P. O. BOX 851
91-4952	Underground	A	19930623 IMOS 5.000	0.000	CONOCOPHILLIPS COMPANY
	S462 E620 NW 36 14S 9E SL				P. O. BOX 851
91-4952	Underground	A	19930623 IMOS 5.000	0.000	CONOCOPHILLIPS COMPANY
	S920 E780 NW 25 14S 9E SL				P. O. BOX 851
91-4952	Underground	A	19930623 IMOS 5.000	0.000	CONOCOPHILLIPS COMPANY
	N1320 E1320 SE 35 14S 9E SL				P. O. BOX 851
91-4952	Underground	A	19930623 IMOS 5.000	0.000	CONOCOPHILLIPS COMPANY
	N1837 E1903 SW 36 14S 9E SL				P. O. BOX 851
91-4952	Underground	A	19930623 IMOS 5.000	0.000	CONOCOPHILLIPS COMPANY
	N1718 E2210 SW 25 14S 9E SL				P. O. BOX 851
91-4952	Underground	A	19930623 IMOS 5.000	0.000	CONOCOPHILLIPS COMPANY
	S1320 W1980 NE 25 14S 9E SL				P. O. BOX 851
91-4952	Underground	A	19930623 IMOS 5.000	0.000	CONOCOPHILLIPS COMPANY

	S2599 W1902 NE 25 14S 9E SL					P. O. BOX 851
91-5091	Surface	U	20050829 S	0.000	4.710	UTAH SCHOOL AND INSTITUTIONAL TRUST LANDS ADMIN.
	N2040 W4190 SE 26 14S 9E SL					675 E. 500 S., SUITE 500
a19276	Underground	A	19950831 IMS	5.000	0.000	CONOCOPHILLIPS COMPANY
	0 W1320 E4 34 14S 9E SL					P. O. BOX 851
a19276	Underground	A	19950831 IMS	5.000	0.000	CONOCOPHILLIPS COMPANY
	S2006 W872 NE 27 14S 9E SL					P. O. BOX 851
a19276	Underground	A	19950831 IMS	5.000	0.000	CONOCOPHILLIPS COMPANY
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a19276	Underground	A	19950831 IMS	5.000	0.000	CONOCOPHILLIPS COMPANY
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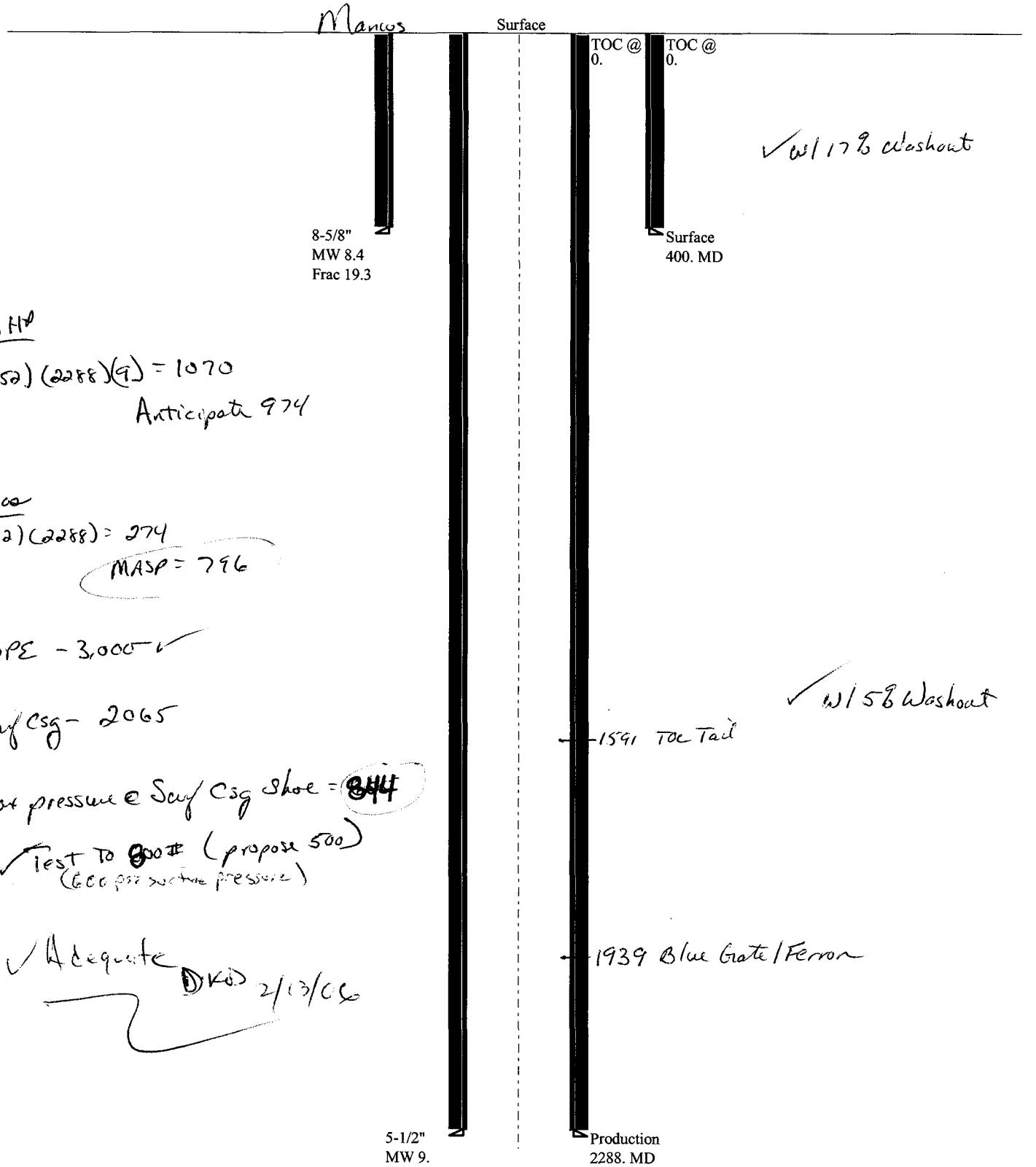
a19276	Underground	A	19950831 IMS	5.000	0.000	CONOCOPHILLIPS COMPANY
	N1398 W435 SE 34 14S 9E SL					P. O. BOX 851
a19276	Underground	A	19950831 IMS	5.000	0.000	CONOCOPHILLIPS COMPANY
	S1085 E1085 NW 35 14S 9E SL					P. O. BOX 851
a19276	Underground	A	19950831 IMS	5.000	0.000	CONOCOPHILLIPS COMPANY
	N1236 E1152 SW 35 14S 9E SL					P. O. BOX 851
a19276	Underground	A	19950831 IMS	5.000	0.000	CONOCOPHILLIPS COMPANY
	N1500 E1500 SW 26 14S 9E SL					P. O. BOX 851
a19276	Underground	A	19950831 IMS	5.000	0.000	CONOCOPHILLIPS COMPANY
	S1085 E1805 NW 35 14S 9E SL					P. O. BOX 851
a19276	Underground	A	19950831 IMS	5.000	0.000	CONOCOPHILLIPS COMPANY

	S1480 E2000 NW 26 14S 9E SL					P. O. BOX 851
a19276	Underground	A	19950831 IMS	5.000	0.000	CONOCOPHILLIPS COMPANY
	S660 W1980 NE 26 14S 9E SL					P. O. BOX 851
a19276	Underground	A	19950831 IMS	5.000	0.000	CONOCOPHILLIPS COMPANY
	N1980 W1980 SE 26 14S 9E SL					P. O. BOX 851
a19276	Underground	A	19950831 IMS	5.000	0.000	CONOCOPHILLIPS COMPANY
	N1778 W1978 NE 35 14S 9E SL					P. O. BOX 851
[redacted]276	Underground	A	19950831 IMS	5.000	0.000	CONOCOPHILLIPS COMPANY
	S1320 W1320 NE 26 14S 9E SL					P. O. BOX 851
a19276	Underground	A	19950831 IMS	5.000	0.000	CONOCOPHILLIPS COMPANY
	N800 W750 SE 26 14S 9E SL					P. O. BOX 851
a19276	Underground	A	19950831 IMS	5.000	0.000	CONOCOPHILLIPS COMPANY
	S1980 W660 NE 26 14S 9E SL					P. O. BOX 851
a19276	Underground	A	19950831 IMS	5.000	0.000	CONOCOPHILLIPS COMPANY
	S462 E620 NW 36 14S 9E SL					P. O. BOX 851
a19276	Underground	A	19950831 IMS	5.000	0.000	CONOCOPHILLIPS COMPANY
[redacted]	S920 E780 NW 25 14S 9E SL					P. O. BOX 851
a19276	Underground	A	19950831 IMS	5.000	0.000	CONOCOPHILLIPS COMPANY
	N1320 E1320 SE 35 14S 9E SL					P. O. BOX 851
a19276	Underground	A	19950831 IMS	5.000	0.000	CONOCOPHILLIPS COMPANY
	N1837 E1903 SW 36 14S 9E SL					P. O. BOX 851
a19276	Underground	A	19950831 IMS	5.000	0.000	CONOCOPHILLIPS COMPANY
	N1718 E2210 SW 25 14S 9E SL					P. O. BOX 851

a19276	Underground S1320 W1980 NE 25 14S 9E SL	A	19950831 IMS	5.000	0.000	CONOCOPHILLIPS COMPANY P. O. BOX 851
a19276	Underground S2599 W1902 NE 25 14S 9E SL	A	19950831 IMS	5.000	0.000	CONOCOPHILLIPS COMPANY P. O. BOX 851

02-06 ConocoPhillips Utah 2[illegible]1055

Casing Schematic



✓ w/ 17% washout

✓ w/ 5% Washout

BHP

(.052)(2288)(9) = 1070

Anticipate 974

Gas

(.12)(2288) = 274

MASP = 796

BOPE - 3,000 ✓

Surf Csg - 2065

Max pressure @ Surf Csg Shoe = 844

✓ Test to 800# (propose 500)

(600 psi surface pressure)

✓ Adequate DKD 2/13/06

Well name:	**02-06 ConocoPhillips Utah 26-1055**
Operator:	**ConocoPhillps Company**
String type:	Surface
Project ID:	43-007-31110
Location:	Carbon County

Design parameters:

Collapse

Mud weight: 8.400 ppg
Design is based on evacuated pipe.

Burst

Max anticipated surface pressure: 352 psi
Internal gradient: 0.120 psi/ft
Calculated BHP 400 psi

No backup mud specified.

Minimum design factors:

Collapse:

Design factor 1.125

Burst:

Design factor 1.00

Tension:

8 Round STC: 1.80 (J)
8 Round LTC: 1.80 (J)
Buttress: 1.60 (J)
Premium: 1.50 (J)
Body yield: 1.50 (B)

Tension is based on buoyed weight.
Neutral point: 349 ft

Environment:

H2S considered? No
Surface temperature: 65 °F
Bottom hole temperature: 71 °F
Temperature gradient: 1.40 °F/100ft
Minimum section length: 250 ft

Cement top: Surface

Non-directional string.

Re subsequent strings:

Next setting depth: 2,288 ft
Next mud weight: 9.000 ppg
Next setting BHP: 1,070 psi
Fracture mud wt: 19.250 ppg
Fracture depth: 400 ft
Injection pressure 400 psi

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft^3)
1	400	8.625	24.00	J-55	ST&C	400	400	7.972	19.2

Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	174	1370	7.857	400	2950	7.38	8	244	29.11 J

Prepared by: Clinton Dworshak
Utah Div. of Oil & Mining
Phone: 801-538-5280
FAX: 810-359-3940
Date: February 8,2006
Salt Lake City, Utah

Remarks:
Collapse is based on a vertical depth of 400 ft, a mud weight of 8.4 ppg The casing is considered to be evacuated for collapse purposes. Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

Engineering responsibility for use of this design will be that of the purchaser.

Well name:	**02-06 ConocoPhillips Utah 26-1055**
Operator:	**ConocoPhillps Company**
String type:	Production
Project ID:	43-007-31110
Location:	Carbon County

Design parameters:

Collapse
Mud weight: 9.000 ppg
Design is based on evacuated pipe.

Burst
Max anticipated surface pressure: 795 psi
Internal gradient: 0.120 psi/ft
Calculated BHP 1,070 psi

No backup mud specified.

Minimum design factors:

Collapse:
Design factor 1.125

Burst:
Design factor 1.00

Tension:
8 Round STC: 1.80 (J)
8 Round LTC: 1.80 (J)
Buttress: 1.60 (J)
Premium: 1.50 (J)
Body yield: 1.50 (B)

Tension is based on buoyed weight.
Neutral point: 1,976 ft

Environment:
H2S considered? No
Surface temperature: 65 °F
Bottom hole temperature: 97 °F
Temperature gradient: 1.40 °F/100ft
Minimum section length: 1,500 ft

Cement top: Surface

Non-directional string.

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft^3)
1	2288	5.5	17.00	N-80	LT&C	2288	2288	4.767	78.8

Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	1070	6290	5.880	1070	7740	7.24	34	348	10.36 J

Prepared by: Clinton Dworshak
Utah Div. of Oil & Mining
Phone: 801-538-5280
FAX: 810-359-3940
Date: February 8,2006
Salt Lake City, Utah

Remarks:
Collapse is based on a vertical depth of 2288 ft, a mud weight of 9 ppg The casing is considered to be evacuated for collapse purposes.
Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

Engineering responsibility for use of this design will be that of the purchaser.

From: Ed Bonner
To: Whitney, Diana
Date: 2/28/2006 4:02:30 PM
Subject: Well Clearance

The following wells have been given cultural resource clearance by the Trust Lands Cultural Resources Group:

ConocoPhillips Company
- Utah 26-1198
- Utah 26-1197
- Utah 13-1167
- Utah 11-1157
- Utah 11-1159
- Utah 11-1158
- Utah 07-1230
- Utah 07-1229
- Utah 06-1228
- Utah 35-1080
- Utah 26-1055

Questar Exploration & Production
- BZ 10ML-16-8-24
- BZ 12ML-16-8-24
- BZ 14ML-16-8-24

If you have any questions regarding this matter please give me a call.

CC: Davis, Jim; Garrison, LaVonne; Hill, Brad; Hunt, Gil

State of Utah

Department of Natural Resources

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas & Mining

JOHN R. BAZA
Division Director

JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

March 2, 2006

ConocoPhillips Company
P O Box 851
Price, UT 84501

Re: Utah 26-1055 Well, 574' FSL, 1830' FEL, SW SE, Sec. 26, T. 14 South, R. 9 East, Carbon County, Utah

Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann.§ 40-6-1 *et seq.*, Utah Administrative Code R649-3-1 *et seq.*, and the attached Conditions of Approval, approval to drill the referenced well is granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-007-31110.

Sincerely,

Gil Hunt
Associate Director

pab
Enclosures

cc: Carbon County Assessor
SITLA
Bureau of Land Management, Moab District Office

Operator: ConocoPhillips Company
Well Name & Number Utah 26-1055
API Number: 43-007-31110
Lease: ML-40115

Location: SW SE **Sec.** 26 **T.** 14 South **R.** 9 East

Conditions of Approval

1. **General**
   Compliance with the requirements of Utah Admin. R. 649-1 *et seq.*, the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for Permit to Drill.

2. **Notification Requirements**
   The operator is required to notify the Division of Oil, Gas and Mining of the following actions during drilling of this well:
   - 24 hours prior to cementing or testing casing
   - 24 hours prior to testing blowout prevention equipment
   - 24 hours prior to spudding the well
   - within 24 hours of any emergency changes made to the approved drilling program
   - prior to commencing operations to plug and abandon the well

   The following are Division of Oil, Gas and Mining contacts and their work telephone numbers (please leave a voice mail message if the person is not available to take the call):
   - Dan Jarvis at (801) 538-5338
   - Carol Daniels at (801) 538-5284 (spud)

3. **Reporting Requirements**
   All required reports, forms and submittals will be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

4. Compliance with the State of Utah Antiquities Act forbids disturbance of archeological, historical, or paleontological remains. Should archeological, historical or paleontological remains be encountered during your operations, you are required to immediately suspend all operations and immediately inform the Trust Lands Administration and the Division of State History of the discovery of such remains.

5. Compliance with the Conditions of Approval/Application for Permit to Drill outlined in the Statement of Basis. (Copy Attached)

CONFIDENTIAL

FORM 9

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

5. LEASE DESIGNATION AND SERIAL NUMBER: ML-40115

6. IF INDIAN, ALLOTTEE OR TRIBE NAME: N/A

7. UNIT or CA AGREEMENT NAME: Drunkards Wash UTU-67921X

1. TYPE OF WELL: OIL WELL ☐ GAS WELL ☑ OTHER

8. WELL NAME and NUMBER: Utah 26-1055

2. NAME OF OPERATOR: ConocoPhillips Company

9. API NUMBER: 4300731110

3. ADDRESS OF OPERATOR: P.O. Box 51810 CITY Midland STATE TX ZIP 79710-1810

PHONE NUMBER: (432) 688-6943

10. FIELD AND POOL, OR WILDCAT: Drunkards Wash

4. LOCATION OF WELL

FOOTAGES AT SURFACE: 574' FSL & 1830' FEL

COUNTY: Carbon

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWSE 26 14S 9E

STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
☑ NOTICE OF INTENT (Submit in Duplicate)	☐ ACIDIZE	☐ DEEPEN	☐ REPERFORATE CURRENT FORMATION
Approximate date work will start: 3/2/2007	☐ ALTER CASING	☐ FRACTURE TREAT	☐ SIDETRACK TO REPAIR WELL
	☐ CASING REPAIR	☐ NEW CONSTRUCTION	☐ TEMPORARILY ABANDON
	☐ CHANGE TO PREVIOUS PLANS	☐ OPERATOR CHANGE	☐ TUBING REPAIR
	☐ CHANGE TUBING	☐ PLUG AND ABANDON	☐ VENT OR FLARE
☐ SUBSEQUENT REPORT (Submit Original Form Only)	☐ CHANGE WELL NAME	☐ PLUG BACK	☐ WATER DISPOSAL
Date of work completion:	☐ CHANGE WELL STATUS	☐ PRODUCTION (START/RESUME)	☐ WATER SHUT-OFF
	☐ COMMINGLE PRODUCING FORMATIONS	☐ RECLAMATION OF WELL SITE	☑ OTHER: Permit Renewal
	☐ CONVERT WELL TYPE	☐ RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

ConocoPhillips Company respectfully requests that the approval of the Application for Permit to Drill for the referenced well be extended. The current approval will expire on March 2, 2007.

The location has been built for this well.

Approved by the
Utah Division of
Oil, Gas and Mining

Date: 02-07-07

By:

2-9-07
2pm

NAME (PLEASE PRINT) Donna Williams TITLE Sr. Regulatory Analyst

SIGNATURE DATE 2/5/07

(This space for State use only)

RECEIVED
FEB 07 2007
DIV. OF OIL, GAS & MINING

(5/2000) (See Instructions on Reverse Side)

[redacted]

Application for Permit to Drill
Request for Permit Extension
Validation
(this form should accompany the Sundry Notice requesting permit extension)

API: 43-007-31110
Well Name: Utah 26-1055
Location: SW/4 SE/4 Section 26, T14S, R9E
Company Permit Issued to: ConocoPhillips Company
Date Original Permit Issued: 3/2/2006

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision.

Following is a checklist of some items related to the application, which should be verified.

If located on private land, has the ownership changed, if so, has the surface agreement been updated? Yes☐ No☑

Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location? Yes☐ No☑

Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? Yes☐ No☑

Have there been any changes to the access route including ownership, or right-of-way, which could affect the proposed location? Yes☐ No☑

Has the approved source of water for drilling changed? Yes☐ No☑

Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? Yes☐ No☑

Is bonding still in place, which covers this proposed well? Yes☑ No☐

Signature _____ Date 1/28/2007

Title: Sr. Regulatory Analyst

Representing: ConocoPhillips Company

RECEIVED
FEB 07 2007
DIV. OF OIL, GAS & MINING

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

5. LEASE DESIGNATION AND SERIAL NUMBER: ML-40115

6. IF INDIAN, ALLOTTEE OR TRIBE NAME: NA

7. UNIT or CA AGREEMENT NAME: Drunkards Wash UTU-67921X

1. TYPE OF WELL: OIL WELL ☐ GAS WELL ☑ OTHER

8. WELL NAME and NUMBER: Utah 26-1055

2. NAME OF OPERATOR: ConocoPhillips Company

9. API NUMBER: 4300731110

3. ADDRESS OF OPERATOR: P. O. Box 51810 CITY Midland STATE TX ZIP 79710

PHONE NUMBER: (432) 688-6943

10. FIELD AND POOL, OR WILDCAT: Drunkards Wash

4. LOCATION OF WELL

FOOTAGES AT SURFACE: 574' FSL & 1830' FEL

COUNTY: Carbon

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWSE 26 14S 9E

STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
☑ NOTICE OF INTENT (Submit in Duplicate)	☐ ACIDIZE	☐ DEEPEN	☐ REPERFORATE CURRENT FORMATION
Approximate date work will start: 2/7/2008	☐ ALTER CASING	☐ FRACTURE TREAT	☐ SIDETRACK TO REPAIR WELL
	☐ CASING REPAIR	☐ NEW CONSTRUCTION	☐ TEMPORARILY ABANDON
	☐ CHANGE TO PREVIOUS PLANS	☐ OPERATOR CHANGE	☐ TUBING REPAIR
	☐ CHANGE TUBING	☐ PLUG AND ABANDON	☐ VENT OR FLARE
☐ SUBSEQUENT REPORT (Submit Original Form Only)	☐ CHANGE WELL NAME	☐ PLUG BACK	☐ WATER DISPOSAL
Date of work completion:	☐ CHANGE WELL STATUS	☐ PRODUCTION (START/RESUME)	☐ WATER SHUT-OFF
	☐ COMMINGLE PRODUCING FORMATIONS	☐ RECLAMATION OF WELL SITE	☑ OTHER: Permit Renewal
	☐ CONVERT WELL TYPE	☐ RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

ConocoPhillips Company respectfully requests that the approval of the Application for Permit to Drill for the referenced well be extended. The current approval will expire on February 7, 2008.

Approved by the
Utah Division of
Oil, Gas and Mining

Date: 01-14-08

By:

COPY SENT TO OPERATOR
Date: 1-16-2008
Initials: LCS

NAME (PLEASE PRINT) Donna Williams TITLE Sr. Regulatory Specialist

SIGNATURE DATE 1/7/2008

(This space for State use only)

RECEIVED
JAN 11 2008
DIV. OF OIL, GAS & MINING

(5/2000) (See Instructions on Reverse Side)

RESET

Application for Permit to Drill
Request for Permit Extension
Validation
(this form should accompany the Sundry Notice requesting permit extension)

API: 4300731110
Well Name: Utah 26-1055
Location: SWSE Sec 26, T14S, R9E, Carbon Co.
Company Permit Issued to: ConocoPhillips Company
Date Original Permit Issued: 3/2/2006

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision.

Following is a checklist of some items related to the application, which should be verified.

If located on private land, has the ownership changed, if so, has the surface agreement been updated? Yes☐ No☑

Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location? Yes☐ No☑

Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? Yes☐ No☑

Have there been any changes to the access route including ownership, or right-of-way, which could affect the proposed location? Yes☐ No☑

Has the approved source of water for drilling changed? Yes☐ No☑

Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? Yes☐ No☑

Is bonding still in place, which covers this proposed well? Yes☑ No☐

Signature _____ Date 1/7/2008

Title: Sr. Regulatory Specialist

Representing: ConocoPhillips Company

RECEIVED
JAN 11 2008
DIV. OF OIL, GAS & MINING

CONFIDENTIAL

FORM 9

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

5. LEASE DESIGNATION AND SERIAL NUMBER: ML-40115

SUNDRY NOTICES AND REPORTS ON WELLS

6. IF INDIAN, ALLOTTEE OR TRIBE NAME: NA

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

7. UNIT or CA AGREEMENT NAME: Drunkards Wash UTU-67921X

1. TYPE OF WELL: OIL WELL ☐ GAS WELL ☑ OTHER

8. WELL NAME and NUMBER: Utah 26-1055

2. NAME OF OPERATOR: ConocoPhillips Company

9. API NUMBER: 4300731110

3. ADDRESS OF OPERATOR: P. O. Box 51810 CITY Midland STATE TX ZIP 79710

PHONE NUMBER: (432) 688-6943

10. FIELD AND POOL, OR WILDCAT: Drunkards Wash

4. LOCATION OF WELL

FOOTAGES AT SURFACE: 574' FSL & 1830' FEL

COUNTY: Carbon

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWSE 26 14S 9E

STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
☑ NOTICE OF INTENT (Submit in Duplicate)	☐ ACIDIZE	☐ DEEPEN	☐ REPERFORATE CURRENT FORMATION
Approximate date work will start: 5/19/2008	☐ ALTER CASING	☐ FRACTURE TREAT	☐ SIDETRACK TO REPAIR WELL
	☐ CASING REPAIR	☐ NEW CONSTRUCTION	☐ TEMPORARILY ABANDON
	☑ CHANGE TO PREVIOUS PLANS	☐ OPERATOR CHANGE	☐ TUBING REPAIR
	☐ CHANGE TUBING	☐ PLUG AND ABANDON	☐ VENT OR FLARE
☐ SUBSEQUENT REPORT (Submit Original Form Only)	☐ CHANGE WELL NAME	☐ PLUG BACK	☐ WATER DISPOSAL
Date of work completion:	☐ CHANGE WELL STATUS	☐ PRODUCTION (START/RESUME)	☐ WATER SHUT-OFF
	☐ COMMINGLE PRODUCING FORMATIONS	☐ RECLAMATION OF WELL SITE	☐ OTHER:
	☐ CONVERT WELL TYPE	☐ RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

ConocoPhillips respectfully requests approval to amend the cement program on the above referenced well. It is our intent to cement the production string pumping a single stage cement job as follows: Pump 410 sxs 50:50 Class G + 2% D20 + .2% D65 + .1% D46 + .2% D167 + .125 pps D130 (14.1 ppg/1.30 ft3/sx). If during the drilling of the production hole, operations and hole conditions indicate the need to pump a two stage cement job, then it is our intent to utilize the 2 stage job as approved on the original permit to drill.

COPY SENT TO OPERATOR
Date: 6.2.2008
Initials: KS

NAME (PLEASE PRINT) Donna Williams TITLE Sr. Regulatory Specialist

SIGNATURE DATE 5/8/2008

(This space for State use only)

APPROVED BY THE STATE OF UTAH DIVISION OF OIL, GAS, AND MINING
DATE: 5/28/08
BY:

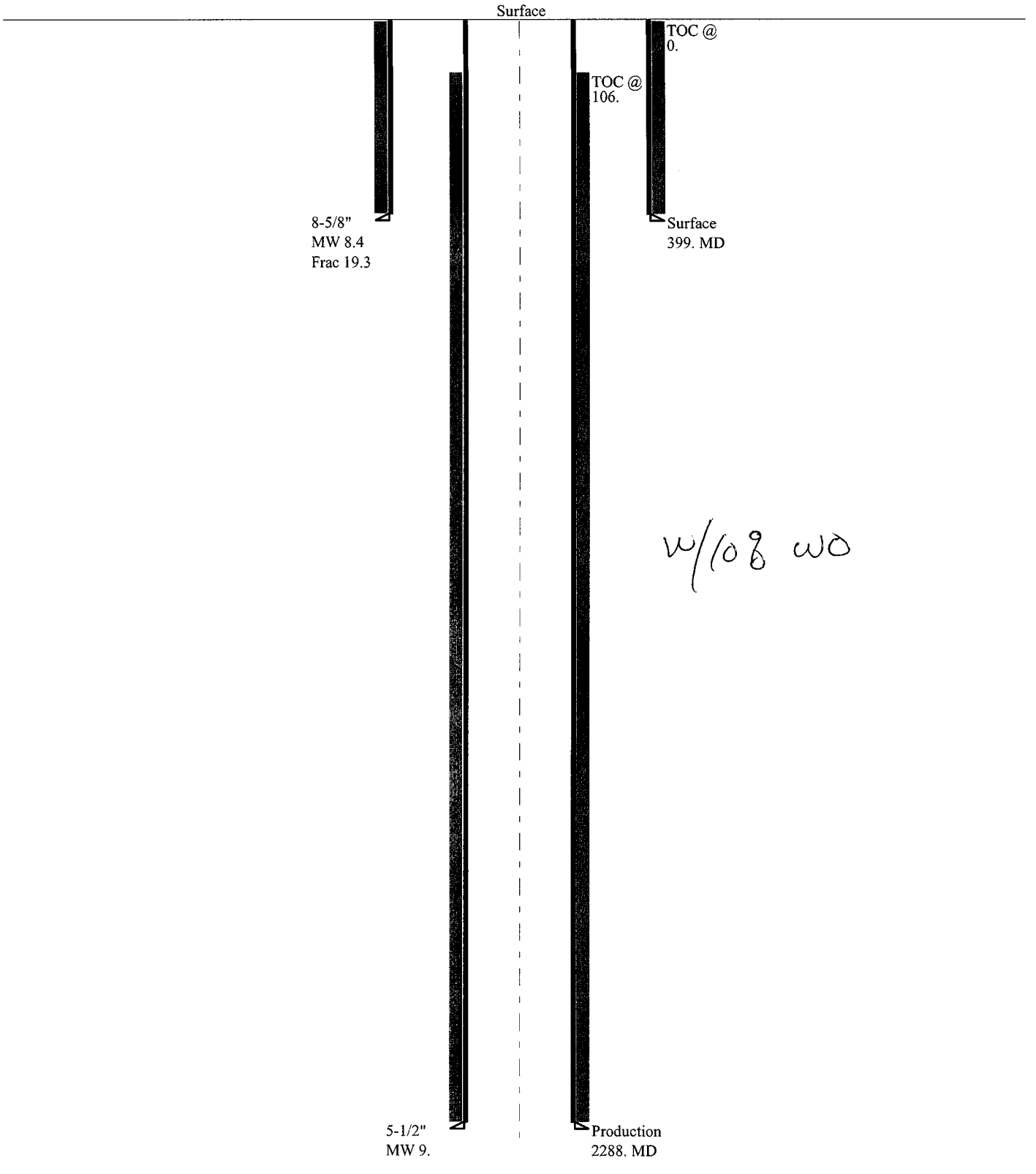
(See Instructions on Reverse Side)

RECEIVED
MAY 12 2008
DIV. OF OIL, GAS & MINING

(5/2000)

02-06 ConocoPhillips Utah 26-1055rev5-08

Casing Schematic



CONFIDENTIAL

DIVISION OF OIL, GAS AND MINING

SPUDDING INFORMATION

Name of Company: **CONOCOPHILLIPS COMPANY**

Well Name: **UTAH 26-1055**

Api No: **43-007-31110** Lease Type: **STATE**

Section **26** Township **14S** Range **09E** County **CARBON**

Drilling Contractor **PETE MARTIN DRLG** RIG # **RATHOLE**

SPUDDED:

Date **06/23/08**

Time **7:30 AM**

How **DRY**

Drilling will Commence:

Reported by **DREW FREDRICKS**

Telephone # **(307) 689-7724**

Date **06/23//08** **Signed** **CHD**

FORM 9

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

5. LEASE DESIGNATION AND SERIAL NUMBER: ML-40115

SUNDRY NOTICES AND REPORTS ON WELLS

6. IF INDIAN, ALLOTTEE OR TRIBE NAME: NA

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

7. UNIT or CA AGREEMENT NAME: Drunkards Wash UTU-67921X

1. TYPE OF WELL: OIL WELL ☐ GAS WELL ☑ OTHER

8. WELL NAME and NUMBER: Utah 26-1055

2. NAME OF OPERATOR: ConocoPhillips Company

9. API NUMBER: 4300731110

3. ADDRESS OF OPERATOR: P. O. Box 51810 CITY Midland STATE TX ZIP 79710

PHONE NUMBER: (432) 688-6943

10. FIELD AND POOL, OR WILDCAT: Drunkards Wash

4. LOCATION OF WELL

FOOTAGES AT SURFACE: 574' FSL & 1830' FEL

COUNTY: Carbon

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWSE 26 14S 9E

STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
☐ NOTICE OF INTENT (Submit in Duplicate)	☐ ACIDIZE	☐ DEEPEN	☐ REPERFORATE CURRENT FORMATION
Approximate date work will start:	☐ ALTER CASING	☐ FRACTURE TREAT	☐ SIDETRACK TO REPAIR WELL
	☐ CASING REPAIR	☐ NEW CONSTRUCTION	☐ TEMPORARILY ABANDON
	☐ CHANGE TO PREVIOUS PLANS	☐ OPERATOR CHANGE	☐ TUBING REPAIR
	☐ CHANGE TUBING	☐ PLUG AND ABANDON	☐ VENT OR FLARE
☑ SUBSEQUENT REPORT (Submit Original Form Only)	☐ CHANGE WELL NAME	☐ PLUG BACK	☐ WATER DISPOSAL
Date of work completion: 6/16/2008	☐ CHANGE WELL STATUS	☐ PRODUCTION (START/RESUME)	☐ WATER SHUT-OFF
	☐ COMMINGLE PRODUCING FORMATIONS	☐ RECLAMATION OF WELL SITE	☑ OTHER: Spud well
	☐ CONVERT WELL TYPE	☐ RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

6/16/2008: Drilled to 40'. Set 13 3/8", J-55, 54.5# conductor casing @ 40', cemented with 8 sacks ready mix cement.

NAME (PLEASE PRINT) Donna Williams TITLE Sr. Regulatory Specialist

SIGNATURE DATE 6/24/2008

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STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 6

ENTITY ACTION FORM

Operator: ConocoPhillips Company

Operator Account Number: N 2335

Address: P. O. Box 51810

city Midland

state TX zip 79710

Phone Number: (432) 688-6943

Well 1

API Number	Well Name		QQ	Sec	Twp	Rng	County
4300731110	Utah 26-1055		SWSE	26	14S	9E	Carbon
Action Code	**Current Entity Number**	**New Entity Number**	**Spud Date**			**Entity Assignment Effective Date**	
B	99999	11256	6/16/2008			7/14/08	

Comments: FRSD

CONFIDENTIAL

Well 2

API Number	Well Name		QQ	Sec	Twp	Rng	County
Action Code	**Current Entity Number**	**New Entity Number**	**Spud Date**			**Entity Assignment Effective Date**	

Comments:

Well 3

API Number	Well Name		QQ	Sec	Twp	Rng	County
Action Code	**Current Entity Number**	**New Entity Number**	**Spud Date**			**Entity Assignment Effective Date**	

Comments:

ACTION CODES:

- **A** - Establish new entity for new well (single well only)
- **B** - Add new well to existing entity (group or unit well)
- **C** - Re-assign well from one existing entity to another existing entity
- **D** - Re-assign well from one existing entity to a new entity
- **E** - Other (Explain in 'comments' section)

Donna Williams
Name (Please Print)

Signature

Sr. Regulatory Specialist
Title

6/24/2008
Date

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FORM 9

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

5. LEASE DESIGNATION AND SERIAL NUMBER: ML-40115

SUNDRY NOTICES AND REPORTS ON WELLS

6. IF INDIAN, ALLOTTEE OR TRIBE NAME: NA

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

7. UNIT or CA AGREEMENT NAME: Drunkards Wash UTU-67921X

1. TYPE OF WELL: OIL WELL ☐ GAS WELL ☑ OTHER

8. WELL NAME and NUMBER: Utah 26-1055

2. NAME OF OPERATOR: ConocoPhillips Company

9. API NUMBER: 4300731110

3. ADDRESS OF OPERATOR: P. O. Box 51810 CITY Midland STATE TX ZIP 79710

PHONE NUMBER: (432) 688-6943

10. FIELD AND POOL, OR WILDCAT: Drunkards Wash

4. LOCATION OF WELL

FOOTAGES AT SURFACE: 574' FSL & 1830' FEL

COUNTY: Carbon

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWSE 26 14S 9E

STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
☐ NOTICE OF INTENT (Submit in Duplicate)	☐ ACIDIZE	☐ DEEPEN	☐ REPERFORATE CURRENT FORMATION
Approximate date work will start:	☐ ALTER CASING	☐ FRACTURE TREAT	☐ SIDETRACK TO REPAIR WELL
	☐ CASING REPAIR	☐ NEW CONSTRUCTION	☐ TEMPORARILY ABANDON
	☐ CHANGE TO PREVIOUS PLANS	☐ OPERATOR CHANGE	☐ TUBING REPAIR
	☐ CHANGE TUBING	☐ PLUG AND ABANDON	☐ VENT OR FLARE
☑ SUBSEQUENT REPORT (Submit Original Form Only)	☐ CHANGE WELL NAME	☐ PLUG BACK	☐ WATER DISPOSAL
Date of work completion: 6/26/2008	☐ CHANGE WELL STATUS	☐ PRODUCTION (START/RESUME)	☐ WATER SHUT-OFF
	☐ COMMINGLE PRODUCING FORMATIONS	☐ RECLAMATION OF WELL SITE	☑ OTHER: Set csg
	☐ CONVERT WELL TYPE	☐ RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

6/22/2008 Move in, rig up.
6/23/2008 Drill from 40' - 436'. Set 8 5/8", 24#, J-55 surface csg @ 436', cement w/185 sx Cl G cement, circulate to surface.
6/24/2008 Drill to 1,582'.
6/25/2008 Drill to 2312'. Log. RIH w/ 5 1/2" csg.
6/26/2008 Set 5 1/2", 17#, M-80, production csg @ 2306'. Cement 1st stage cement job w/30 sx Lite Crete (lead) and 45 sx RFC G cement (tail), circulate. Cement 2nd stage cement job w/80 sx Lite Crete (lead) and 100 sx RFC G cement (tail), 12 bbl cement to pit. RDMO. Release rig.

NAME (PLEASE PRINT) Donna Williams TITLE Sr. Regulatory Specialist

SIGNATURE DATE 7/7/2008

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STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

5. LEASE DESIGNATION AND SERIAL NUMBER: ML-40115

SUNDRY NOTICES AND REPORTS ON WELLS

6. IF INDIAN, ALLOTTEE OR TRIBE NAME: N/A

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

7. UNIT or CA AGREEMENT NAME: Drunkards Wash UTU 67921X

1. TYPE OF WELL: OIL WELL ☐ GAS WELL ☑ OTHER

8. WELL NAME and NUMBER: Utah 26-1055

2. NAME OF OPERATOR: ConocoPhillips Company

9. API NUMBER: 4300731110

3. ADDRESS OF OPERATOR: P.O. Box 51810 CITY Midland STATE Tx ZIP 79710

PHONE NUMBER: (432) 688-6943

10. FIELD AND POOL, OR WILDCAT: Drunkards Wash

4. LOCATION OF WELL

FOOTAGES AT SURFACE: 574 FSL & 1830 FEL

COUNTY: Carbon

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWSE 26 14S 9E

STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
☐ NOTICE OF INTENT (Submit in Duplicate)	☐ ACIDIZE	☐ DEEPEN	☐ REPERFORATE CURRENT FORMATION
Approximate date work will start:	☐ ALTER CASING	☐ FRACTURE TREAT	☐ SIDETRACK TO REPAIR WELL
	☐ CASING REPAIR	☐ NEW CONSTRUCTION	☐ TEMPORARILY ABANDON
	☐ CHANGE TO PREVIOUS PLANS	☐ OPERATOR CHANGE	☐ TUBING REPAIR
	☐ CHANGE TUBING	☐ PLUG AND ABANDON	☐ VENT OR FLARE
☑ SUBSEQUENT REPORT (Submit Original Form Only)	☐ CHANGE WELL NAME	☐ PLUG BACK	☐ WATER DISPOSAL
Date of work completion: 8/7/2008	☐ CHANGE WELL STATUS	☐ PRODUCTION (START/RESUME)	☐ WATER SHUT-OFF
	☐ COMMINGLE PRODUCING FORMATIONS	☐ RECLAMATION OF WELL SITE	☑ OTHER: First Sales
	☐ CONVERT WELL TYPE	☐ RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

The above well had first sales on August 7, 2008 making 0 gas and 42 water.

NAME (PLEASE PRINT) Donna Williams TITLE Sr. Regulatory Specialist

SIGNATURE DATE 8/29/2008

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DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

AMENDED REPORT ☐ (highlight changes)

FORM 8

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

5. LEASE DESIGNATION AND SERIAL NUMBER: ML-40115

6. IF INDIAN, ALLOTTEE OR TRIBE NAME: N/A

1a. TYPE OF WELL: OIL WELL ☐ GAS WELL ☑ DRY ☐ OTHER

7. UNIT or CA AGREEMENT NAME: Drunkards Wash UTU67921X

b. TYPE OF WORK: NEW WELL ☑ HORIZ. LATS. ☐ DEEP-EN ☐ RE-ENTRY ☐ DIFF. RESVR. ☐ OTHER

8. WELL NAME and NUMBER: Utah 26-1055

2. NAME OF OPERATOR: ConocoPhillips Company

9. API NUMBER: 4300731110

3. ADDRESS OF OPERATOR: P.O. Box 51810 CITY Midland STATE Tx ZIP 79710

PHONE NUMBER: (423) 688-6943

10 FIELD AND POOL, OR WILDCAT: Drunkards Wash

4. LOCATION OF WELL (FOOTAGES)
AT SURFACE: 574 FSL & 1830 FEL
AT TOP PRODUCING INTERVAL REPORTED BELOW:
AT TOTAL DEPTH: Same

11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWSE 26 14S 9E

12. COUNTY: Carbon

13. STATE: UTAH

14. DATE SPUDDED: 6/16/2008

15. DATE T.D. REACHED: 6/26/2008

16. DATE COMPLETED: 7/31/2008 ABANDONED ☐ READY TO PRODUCE ☑

17. ELEVATIONS (DF, RKB, RT, GL): 5824.7' GL

18. TOTAL DEPTH: MD 2,312 TVD

19. PLUG BACK T.D.: MD 2,245 TVD

20. IF MULTIPLE COMPLETIONS, HOW MANY? * N/A

21. DEPTH BRIDGE PLUG SET: MD TVD

22. TYPE ELECTRIC AND OTHER MECHANICAL LOGS RUN (Submit copy of each)
GR/CCL, Den Neutron
DIG

23.
WAS WELL CORED? NO ☑ YES ☐ (Submit analysis)
WAS DST RUN? NO ☑ YES ☐ (Submit report)
DIRECTIONAL SURVEY? NO ☑ YES ☐ (Submit copy)

24. CASING AND LINER RECORD (Report all strings set in well)

HOLE SIZE	SIZE/GRADE	WEIGHT (#/ft.)	TOP (MD)	BOTTOM (MD)	STAGE CEMENTER DEPTH	CEMENT TYPE & NO. OF SACKS	SLURRY VOLUME (BBL)	CEMENT TOP **	AMOUNT PULLED
11"	8 5/8 J55	24#	0	436		G 185		Surface	
7 7/8	5 1/2 M80	17#	0	2,306		Litecrete 110		Surface	
						G 145			

25. TUBING RECORD

SIZE	DEPTH SET (MD)	PACKER SET (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)
2 7/8	2,192							

26. PRODUCING INTERVALS

FORMATION NAME	TOP (MD)	BOTTOM (MD)	TOP (TVD)	BOTTOM (TVD)
(A) Ferron	2,043	2,097		
(B)				
(C)				
(D)				

27. PERFORATION RECORD

INTERVAL (Top/Bot - MD)	SIZE	NO. HOLES	PERFORATION STATUS
2,043 2,047	3 spf	36	Open ☑ Squeezed ☐
2,070 2,074			Open ☑ Squeezed ☐
2,090 2,092			Open ☑ Squeezed ☐
2,095 2,097			Open ☑ Squeezed ☐

28. ACID, FRACTURE, TREATMENT, CEMENT SQUEEZE, ETC.

DEPTH INTERVAL	AMOUNT AND TYPE OF MATERIAL
2043-2097'	F w/71 bbls coal stim + 1124 bbls Delta Frac 140R + 2200# 100 mesh white sand + 96400# 16/30 brown sand

29. ENCLOSED ATTACHMENTS:

☑ ELECTRICAL/MECHANICAL LOGS ☐ GEOLOGIC REPORT ☐ DST REPORT ☐ DIRECTIONAL SURVEY
☐ SUNDRY NOTICE FOR PLUGGING AND CEMENT VERIFICATION ☐ CORE ANALYSIS ☐ OTHER:

30. WELL STATUS:

(5/2000)

(CONTINUED ON BACK)

31. INITIAL PRODUCTION — **INTERVAL A (As shown in item #26)**

DATE FIRST PRODUCED:	TEST DATE:	HOURS TESTED:	TEST PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	PROD. METHOD:
8/7/2008	8/7/2008	24		0	0	42	P

CHOKE SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU – GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	INTERVAL STATUS:

INTERVAL B (As shown in item #26)

DATE FIRST PRODUCED:	TEST DATE:	HOURS TESTED:	TEST PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	PROD. METHOD:

CHOKE SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU – GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	INTERVAL STATUS:

INTERVAL C (As shown in item #26)

DATE FIRST PRODUCED:	TEST DATE:	HOURS TESTED:	TEST PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	PROD. METHOD:

CHOKE SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU – GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	INTERVAL STATUS:

INTERVAL D (As shown in item #26)

DATE FIRST PRODUCED:	TEST DATE:	HOURS TESTED:	TEST PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	PROD. METHOD:

CHOKE SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU – GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	INTERVAL STATUS:

32. DISPOSITION OF GAS (Sold, Used for Fuel, Vented, Etc.)

Sold

33. SUMMARY OF POROUS ZONES (Include Aquifers):

Show all important zones of porosity and contents thereof: Cored intervals and all drill-stem tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures and recoveries.

Formation	Top (MD)	Bottom (MD)	Descriptions, Contents, etc.

34. FORMATION (Log) MARKERS:

Name	Top (Measured Depth)
Bluegate	1,805
Ferron	1,972
Ferron Coal Top	1,976
Ferron Coal Bottom	2,098
Tununk	2,209
Lower Bentonite	

35. ADDITIONAL REMARKS (Include plugging procedure)

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records.

NAME (PLEASE PRINT) Donna Williams TITLE Sr. Regulatory Specialist

SIGNATURE DATE 9/3/2008

This report must be submitted within 30 days of

- completing or plugging a new well
- drilling horizontal laterals from an existing well bore
- recompleting to a different producing formation
- reentering a previously plugged and abandoned well
- significantly deepening an existing well bore below the previous bottom-hole depth
- drilling hydrocarbon exploratory holes, such as core samples and stratigraphic tests

* ITEM 20: Show the number of completions if production is measured separately from two or more formations.

** ITEM 24: Cement Top – Show how reported top(s) of cement were determined (circulated (CIR), calculated (CAL), cement bond log (CBL), temperature survey (TS)).

Send to: Utah Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801

Phone: 801-538-5340

Fax: 801-359-3940

(5/2000)